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#### **NEWS SUMMARY**

#### GENERAL

#### Zambia \$8; invasion claim dull denied

A thousand South African and Zimbabwe-Rhodesian troops are occupying areas of West and south-east Zambia, President Kenneth Kaunda said in Lusaka,

He told a visiting Iraq delegation: "There are 600 South Africao troops and 400 Rhodesian troops on Zambian soil as I speak to you." But his claim was described as "ridiculous" by the Sallsbury military command, while a South African defence official had no comment.

However, in what is apparently a related incident, a Salisbury communiqué claimed that Rhodesiao forces had destroyed s "beavily fortified" guerrila position west of Chirundu in south eastern

Why Salisbury is squeezing Kaunda, Page 4

#### Times back on November 13

The Times is to re-appear on Tuesday, November 13 and the Sunday Times five days later, the papers' management said. After their 11-month auspension, they are likely to be unchanged in price—15p for the daily paper and 22p for the

Times deputy editor Louis Heren warned, however, that there may be a price increase later. Fleet Street's battle,

suffering from cancer, U.S. ing. Back Page and Parifament, officials said. He has a blocked Page 14 some form of malignancy." But an aide to the deposed Shah said she did not accept the diagnosis.

#### **Booker winner**

The £10,000 Booker McConnell prize for fiction was won by Penelope Fitzgeraid for her novel Offshore, the National £Book League announced

#### ITV return

Independent Television programmes will be back at 5.45 this afternoon after the settlement of some last-minute problems. There may be a "few difficulties," ITV said, but they would not affect resumption of programmes which have been blacked out for 75 days. Page 12

#### Jail demand

The public prosecutor demanded the maximum sentence of up to 10 years' jail for three of the six Czechosłovak dissidents being tried in Prague on subversion charges. The plsy-wright Vaclav Havel was among those be singled out for maximum sentence. Page 3

#### Balloon record

Britons landed near Lowestoft after making the first successful North Sea crossing by hot air balloon. Dr. Simon Faithfull, who works at Rotterdam Hospital, and British Airways pilot Peter Morgan took three hours to cross from Breda,

#### Briefly . . .

Guenter Kunert, one of East popular Germany's most to settle near Hamburg, said his Western publishers. Page 3 ernment plans to curb spending

rebellion subversion. aedition.

#### BUSINESS

## Gold off **Equities**

GOLD lost \$8 in London to close at \$385.

STERLING fell 3.65 cents to \$2.1130, and its trade-weighted index was 67.9 (68.9). The dollar's index rose to \$6.7 (86.2). • EQUITIES ware dull, and the

FT 30-share index closed 4.7 down at 462.0. @ GILTS eased, and the Govern-

ment Securities index was 0.02 down at 70.21. WALL STREET was 1.45

down at \$07.68 near the close-

#### Japan in U.S. steel group bid

• KAISER STEEL of California said it had opened talks with Nippoo Kokan KK of Japan on the sale of a "substantial proportion" of Kaiser's assets. Back Page; EEC loan to Krupp,

MATRA, the French missiles and electronics group, is plan-ning to buy Solex, the largest carburetter company in France. Page 3I

J. SAINSBURY has annouocer plans to link with a Belgian retail group to enter the UK do-it-yourself market. The supermarket concern is to have a 75 per cent stake in a new company yet to be named. Back Page, News Analysis, Page

• STOCK EXCHANGE request Shah has cancer to be removed from the scope of the restrictive practices the former Shah of Iran, who has flown from the voice of the restrictive practices the form the scope of the restrictive practices the form the scope of the restrictive practices. The former the suffering from cancer its

> • INDUSTRY BILL paved the way for NEB chairman Sir Leslie Murphy to be replaced next year by a part-time chair-man and full-time chief execu-tive. Back Page and Parliament,

• U.S. DEFENCE Department is expected to sign a \$172m (£81.4m) contract for British Aerospace Rapier missiles within weeks, RAF Minister Geoffrey Pattie said. Back Page

BP has ordered two 109,000tome oil tankers worth a total about £45m from Britisb Shipbuilders. Back Page; UK shipbuilders given more more freedom to bid, Page 10

• AIRBUS production must be stepped up rapidly to meet increasing competition from U.S. · companies, former Aerospatiale chairman Ziegler warned, Page 7 Henri

 SAUDI ARABIA intends to re-establish the Arab Organisation for Industrialisation, the \$1.04bn arms industry that was dissolved because of the Egypt-Israel peace treaty.

#### Vauxhall obtains union injunction

 VAUXHALL Motors obtained a High Court injunction sgainst the TGWU convenor and others at its strike-bound Ellesmere Port plant to prevent further allegations that cars produced at other plants during the dis-pute were of low quality. Page 12

anthors, has crossed the border PATERSON, Zochnis and to settle near Hamburg, said Company, the West African his Western publishers. Page 3 merchant, reports pre-tax profits French doctors staged a 21 down from £19.48m to £16.79m honr strike to protest at Gov-errment plans to curh spending over down from £213.5m to

Philippines Government said • LAPORTE Industries, the that nearly 600 people were in chemical manufacturing group, military detention, accused of plans to raise £10.6m by a one or for-four nights issue at 95p

## Howe removes all exchange controls

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

been removed by the Govern-ment. This takes effect today. There is now complete free-dom to retain and use foreign currency for any purpose and sterling may be leot to non-

The announcement, which was unexpected, was made to the Commons yesterday by Sir Geoffrey Howe, Chancellor the Exchequar. He said the controls had "ontlived their usefulness" after slightly more than 40 years' existence.
In addition, the whole admini-

startive and monitoring apparstus is being dismantled, with the loss of between 500 and 600 jobs at the Bank of England. The effect of the chaoges is that English residents may do exactly what they please with foreign currency and sterling.

Foreign currency hank

accounts may be kept in the UK and abroad and British rtsidents are no longer required either to surrender foreign currency after travel or to repatriate it on overseas profits and payments.
The iovest iovestment currency

property will cease to exist, thus outward portfolio invest-Gold bullion may also be

ADULT UNEMPLOYMENT in

the UK rose sharply during the

This suggests that the turning

point in the labour market may

be near, following the marked

slowing in the growth of output

Department of Employment

figures published yesterday show that the number of adults

out of work in the UK rose in

the month to mid-October by

18,100 to 1.28m, seasonally adjusted. This is equivalent to

In contrast with the steady

fall in unemployment since the

end of 1977—amounting to

to nearly 160,000 at one stage-

apart from a slight hiccup

during the industrial troubles last winter. The total stopped

Officials warn against reading too much into one month's figures since the national

falline last month.

5.3 per ceot of the workforce.

month running.

in recent months.

market for the purchase of overseas shares and

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

ALL REMAINING British ex- freely hought and sold, as may change control restrictions have gold colns since the Budget. All the administrative regulations will also be dropped today.
Applications need no longer be made to the Bank of England

for travel funds and passports

need no longer be marked. It will no longer be necessary to apply for permission to make direct investments or to deposit foreign currency securities with an authorised depositary such as a hank or broker. Other monitoring procedures, such as controls by Customs officers, are also being ended.

An important result of the changes is that controls on borrowing hy non-residents in the London capital market bave been removed. That might bave a big long-term impact on the use of sterling not only to finance trade but slso for fundraising by foreign companies.

However, the use of sterling by official overseas bolders will still be restricted by the agreement reached early in 1977 betweeen the Government and overseas monetary authorities, mainly in the Middle East. That was designed to prevent any rise in such official balances after the sharp fall in 1976. The extent of the changes is changes.

while vacancies fall again

U.K. UNEMPLOYMENT

1978 1979

orth-west England. Total unadjusted unemploy-The last two months' figures meni in the UK was 1.37m in

do, nowever, suggest that a mid-October, the lowest figure change in trend may be imminent. This is also indicated by was 26,900 lower than in Sep-

The prime rate lucrease bad in the Fed funds market yester-

number out of work in certain

areas, notably the Midlands and

the fall of 25,000 in vacancies

notified to employment offices

Adult unemployment up sharply

much more radical than expected in the light of the Government's commitment to a progressive dismantling of con-trols. In the June Budget and in mid-July the Government determined not by the existence removed all controls on of controls but by the performfinancing outward direct investment sud announced the first significant steps to liberalise outward portfolio investment,

News Anslysis. Page 8 Parliament. Page 14 Editorial Comment. Page 22 Money Markets. Page 34 onsequences for con market. Page 39 Lex. Back Page

principally affecting securities.

Sir Geoffrey emphasised to the Commons that at a time of The effects will depend on the level of interest rates in London compared with those abrnad.

rising North Sea oil income it was desirable "to acquire income producing asests overseas." The changes, be said, would " add to the effectiveness of the City of London as the world's financial centre."

Sir Geoffrey and, at a later press conference, Mr. Nigel Lawson, Financial Secretary to the Treasury, refused to speculate about the posssible outflows o rimpact on sterling from the

6,000 higher than a year ago.

Most economic forecasters ex-

pect total unemployment to rise

steadily over the next 18

months, probably to well over

1.5m, as a result both of the squeeze on the private sector caused by the recession and of

the cuts in public sector man-

about 225,000 people are being kept off the unemployment

register as a result of the

various special job support measures established by the Labour Government and re-

tained in a slimmed down form

tember. But comparisons with

earlier months are affected by

by the present Government.

The latest figures show that

Mr. Lawson said the removal of controls had no implications for interest rates or for domestic monetary control. "The level of sterling would be ance of the economy and the confidence which the rest of the world had in Government

Tha decision to dismantle the apparatus of control makes it more difficult to revive restictions if the external position detreiorates as in 1976. The Exchange Control Act is being retained for the time being, although its future will be re-

Removing controls will save £141m a year in public expenditure. At present 750 staff are employed on this work in the Bank and about 25 at the

The Bank is looking for sav-The Bank is looking for savings of about a sixth of its bank move took the City slightly by ing staff of 4,500 after baving saved more than 200 jobs through natural wastage since the summer, when new recruitment was stopped. Many exchange control staff will be transferred elsewhere in the Bank. The 500 to 600 savings are being sought throughout the Bank by a voluntary redendancy and retirement scheme by

artificially raised the Grea Britain total by 20,000. Thi stood at 1.3m in mid-October.

the figure was \$2,000.

Page 10

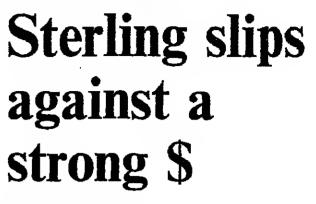
effect.

ls unlikely that the future.
Fund managers said they were

The total dropped by 5,700 to of a new national scheme for 237,400, seasonally adjusted, in claiming and paying unemploy-the month to mid-October, ment benefit every fortnight Great form of borrowing.

This mous in the belief that their seasonally adjusted figures take account of this The number of school leavers

out of work continues to decline sharply. The UK total in mid-October was 69,400, a fall of gold futurea market in London nearly 45,000 on the previous month. In October last year Unemployment Map. Page 12 Supplementary benefits body urges re-employment scheme.



BY JOHN MAKINSON

STERLING slipped against the dollar throughout the morning yesterday, as rumours spread that an exchange control announcement was imminent, finishing around 3.65 cents down on Monday night's London close at \$2.1120/40.

UNIVERSITY OF JORDAN LIBRARY

The dollar was strong against all major currencies, however, and the fairly muted reaction to the news testified, according to dealers, to the quality of the Chancellor's timing.

"If this had happened two years ago yon wouldn't have seen sterling for dust," was the opinion of one dealer. Sterling's trade-weighted index closed a full point lower at 67.9.

On the Stock Exchange, the reaction was confined largely to those shares which still bear a premium. The FT Gold Mines index (in cum-premium form) closed 10.8 points down at

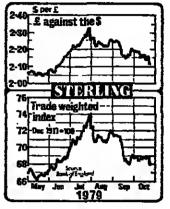
surprise, s decision of this kind bad been foreshadowed by the Chancellor's interim changes in June and investment managers, for example, were well pre-pared. She effective investment dollar premium was only 43 per cent on Monday night and, according to pension fund managers, a premium below 10 per cent bas little real infinence on investment decisions. Earlier this year, it was almost 50 per

establishment of a free capital market for the first time in 40 years will lesd to any substan-tial outflow of funds in the near

waiting for signs of recovery in the stock markets of North America and the Far East. Foreign currency loans in these areas may now be paid off but they noted that many were taken out at fixed interest rates when U.S. rates, for example, were significantly lower and Fund managers were nnani-

job would be considerably simplified by the removal of artificial influences on share prices and currency movements which the premium sustained. The possibility of establishing

was strengthened by the announcement. Mr. Ian Foster, chairman of the Londoo Metal Exchange management committee, noted that its instroduction would now be much easier. Pre-viously, UK citizens were harred



from owning or trading in gold hulllon.

Mr. Nicholas Goodison, charman of the Slock Exchange, said that he experied more business to develop in overseas securities and he hoped that capital out-flows would be offset by a higher level of direct investment in the UK Exchange controls "have impeded the development of British commerce throughout the world and so distorted onr economy," Mr. Goodison said.

Kenneth Marston writes: The abolition of the investment dollar premium could bave a major beneficial impact on markets in overseas mining sbares.

This is because many of the smaller investors bave never really understood the workings of the premium while others have ben deterred from investing in overseas abares by the possibility of losing part of their cspital by selling their shares at a time when the unpre-dictable premium is low.

Providing other factors sre equal, any marking down of share prices by the extent of the previous premium will, conrse, enbance dividend yields and this might well attract fresh buyers.

particularly high returns and this may deter holders from switching to bullion, or gold futures markets, with a loss of bigh dividend income. At the same time, the fall in the value of sterling will bring a corresponding rise in the sterling value of dividends paid by overseas companies.

£ in New York

Spot | 52,1430.1444 \$2,1636-1558 | month | 0,50,10 pre | 0,12-0,17 pre | 3 months | 0,50-0,60 pre | 0,10-0,20 pre | 12 months | 0,50-0,60 pre | 0,10-0,20 pre

#### engineering dispute may have temporarily increased the the introduction in September U.S. prime rates up to 15%

since June.

north-west England.

500

BY DAVID LASCELLES IN NEW YORK

U.S. BANKS raised their prime rate another half per cent to 15 per cent yesterdsy, the second sharp rise since the Federal Recredit package of October 6.

funds into the system. The prime rate move was led y Morgan Guaranty and quickly followed by Chase Man-

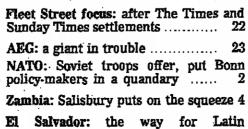
increased their broker loans rates to 15 per cen or more. All £192m. Page 24 and Lex are now well above their pre- commercial banks. vious record highs.

day to bring rates down from the 17 per cent level at which they opened. After two large been expected for a number of days. But the move appeared to have been delayed by the perinjections of funds, the rate subsonal intervention of Mr. Paul Volcker. Fed chairman, who prisidedto 12 per cent around noon, but began to edge up again in The move came as the Fed vately asked banks last week not appeared to be trying to correct to respond to day-to-day movesome of the money market's ments in the market, but to wilder girations by injecting seek out the underlying trends. Market observers said the Fed appearedto betrying to 'bracket'' However, the hanks bave been

facing rapidly rising costs of funds. One major New York bank said yesterday it estimated battan and Bank of America. the cost of 90-day certificates of Simultaneously, most banks also deposit would average 14.36 per per cent this week, up from 13.59 per cent last week. CD's the banks' administered rates are a major source of funds to The Fed intervened strongly

the market by indicating the hroad range of its interest rate target. Although this bracket is very wide, extending from 12 to nearly 18 per cent, it gava the market some guide,

Economists also believed the Fed was trying to inject some stability into the market in the run-up to next week's major Treasury quarterly financing.



America .....

Gardens today: sowing wild oats with care ...... 20 Lombard: Labour pains in opposition by Peter Riddell ...... 20 Editorial comment: ending exchange Management: Trinidad and Tobago airline ...... 18 Survey: cotton ...... 35-37

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#### CHIEF PRICE CHANGES YESTERDAY (Prices in pence unless otherwise indicated)

RISES		· Barclays Bank 423 - 7
Dale Electric 1	135 + 9	Beecham 138 - 5
Ductile Steels	96 + 5	British Land 681 - 31
Furness Withy 2	256 '+ 12	(iEC 349 — 4
Graig Shipping	775 + 75	Haslemere Estates 288 - 8
Laurence Scott	73 + 6	IC1 347 - 5
Milford Dock	210 + 13	Internti. Thomson 365 - 34
Mothercare	94 + 8	Laporte 107 - 9
Paterson Zochonis	200 + 7	Pilkington Brothers 280 - 10
Pyke Holdings	76 + 5	umiever
SGB	278 + 8	DF
Suplay (R.) 6	35 + 15 ·	Burmah Oil 186 - 11
Tages Kameley	76 + 3	Oil Exploration 535 - 25
Tube Investments 2	265 + D	Ashton Mining 78 - 6
Vitatron NV 2	.77 + 30	Coarter Cods 170 - 7
North Broken Hill I	60 + 8.	Cons. Gold Fields 270 - 10
Oukbridge	24 + 10	Free State Geduld£161 - 2
Thiess 3	k55 + 83	Northern Mining 70 - 5
FALLS		President Brand£111 - 1
Associated Dairies	266 — 7	RTZ 290 - 9
Rambers Stores 1	20 - 10	Western Holdings £204 - I

#### Sharp drop in retail trade-IFO

By Roger Boyes in Bonn

the business climate during September, according to the latest monthly survey of the West German IFO economic research institute.

Retail trade, according to pre-vious IFO surveys, has been expecting a fall in business. reckoning that higher beating oil disposable income. This appears to be hitting the consumer goods sector in particular, and the aurvey notes that retailers of textlles, clothes and pharmaceutical products have reported a sub-stantial drop in trade during the month compared with an admittedly good August figure.

Motor manufacturers ques-tioned by IFO also reported slacker demand in September. Orders for cars fell slightly from 7.7 months worth in Angust to 7.3 months in Sep-

The motor companies' comments received further support in particular? yesterday in new figures from the Federal Office of Vehicle Registration which reported a 15.3 per cent fall in new registrations during September compared to the same month last

The construction sector, despite warpings from various research institutes about an imminent cooling-off, appears to be still booming.

## Soviet troops offer puts Bonn policy-makers in a quandary

BY JONATHAN CARR IN BONN

THE STRATEGIC balance between East and West is presenting West Germany's foreign policy makers with one of their CONSUMER GOODS retailers The recent speech in East saw a sharp drop in turnover Berlin by the Soviet leader, Mr. and a general deterioration in Leonid Brezhnev, bas held out nost difficult problems in years. the prospect of further detente moves combined with threats against the West if it decided to go ahead with modernisation of its nuclear weapons. Simultaneously, the East German anthorities have takeo action which has helped improve rela-tions with Bonn—relations and petrol prices would hite into which, nonetheless, will not orosper if the general climate for detente deteriorates.

The pressures on the West Germans are clear chough. Should they take Mr. Brezhnev's offer at face value, thereby raising fears among their Western allies, and the U.S. in particular, that Bonn is unreliable or even "going neutral"? Or should they treat Mr. Brezhnev's pledge of partial withdrawal of Soviet troops and tanks simply as a tactic, thus scuttling chances of a further relaxation of East-West tension in general and East-West German tension

The latter course would hardly he acceptable to Chancellor Helmut Schmidt's Social Democrat Party (SPD).

This is not the first time that the Bonn Government has faced such a dilemma. But several factors now make it more urgent. For one thing, the North Atlantic Treaty Organisation (NATO) is facing decisions the powerful floor-leader of the SPD made his carrot-and-stick speech this December on how to need for further detente moves that the west would, in several factors now make it Cabinet session also atteoded by ing offer? Herr Schmidt thinks to limit arms.

All this presupposes that the west Europeans are prepared to have these new (American-stophics on the supplied) weapons installed on able. Not only would it be de-



it hy the huild-up of Soviet intermediate range nuclear missiles like the SS-20. These missiles can hit almost any target in Western Europe from Soviet territory (although they could not reach the U.S.), and the West bas no wholly credible

For another thing, Mr. it sees a clarity of line in Soviet which might not survive him.
The Bonn Government has now produced an answer which it is recommending to its Nato partners and which it thinks fits the hill. The decision was reached last week of a law was intensify its own arms producreached last week at a lengthy

have often brought him criticism both at home and in NATO. The West Germans believe that the NATO council in Brussels in December should make two interlocking decisions. One would be to agree to produce weapons capable of matching the Soviet intermediaterange threat, on the understanding that actual installation on Western European soil will depend on the course of arms Warsaw Pact. The other would he to respond formally and clearly to the Soviet negotiating

offer.

In other words, the ball would be put neatly back in Soviet hands. It would take several years before the Western weapons were available for installation. That time should show to what extent Mr. Brezhnev's already - expressed readiness to negotiate on the intermediate-raoge problem is geouine. The Ideal would be for the Soviet Union to dishand Brezhnev is clearly not in the its weapons of this kind alto- Brezhnev threatened a Soviet rebest of bealth—and Bonn feels gether, in which case there action not specifically to NATO would be no oeed for a Western foreign policy, including a counter-weight at all. But there readiness, under certain condiare few, if any, West German tions, to limit the arms build-up, policy-makers who are that

tion and renege on its negotiat-ing offer? Herr Schmidt thinks



Freech, British and West German Defence Ministers watch a recent Bandeswehr exercise.

fact, go ahead with the kind of decisioos the West Germans are advocating.

The School of their territory. So far this is not certain. The West German Government is ready to agree to

Herr Schmidt notes that Mr. action not specifically to NATO arms decisions but to the implementation of those decisions -that is, actually to instal the new weapons. If this interpretaptimistic. tion is correct, then Soviet Might not the NATO decision policy-makers are preparing to preparing for new negotiations

plored in the east, it would be hound to arouse old fears and crincism in the West too.

accept the missile, providing other European Governments Should the Europeans in the end feel they were not able to make any collective commit-ment on installation, the West (excluding Britain and France, which are already nuclear powers in their own right) do so too. This throws a particular Germans believe the alliance would be in a dangerous pesition. A possible counter-weight to Soviet power as well as a strain on the Benelux countries. But Bonn firmly underlines that it is not a nuclear weapons state and does not even want bargaining counter would have been thrown away. This in turn would strain severely the relato arouse the impression that it would like to become one. tionship between the U.S. and its NATO partners. President negotiated down to the lowest Carter shelved the option of the possible level of force. Without An outcome of alliance discussions which left West Ger-many as the only likely new hearer of intermediate range nentron weapon following an upsurge of European protests

bers of the alliance were simply incupable of taking the decision; needed for their own credible

detence. This is one reason why West German criticism of the U.S. and of its President has become noticeably more muted in recent months, and why current differences with Washington over the level of Bonn's defence

expenditure have come at a

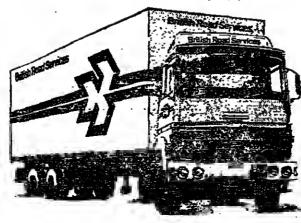
peculiarly inconvenient time. The Americans want the West Germans to increase their defence spending by three per cent annually in real terms, as they and other alliance members have promised. But Bonn will behieve only about half that rate next year. Herr Schmidt was particularly irritated when the U.S. national Security Affairs adviser, Mr. Zhigniew Brzezinski, recently raised the issue in talks with a West German appositioo palltician whose foreign policy expertise leaves the chancellor far from convinced.

But this row is not central to Bonn's concerns with the U.S. at present. More important is that the U.S. Congress should ratify the Salt-2 accord with the Soviet Union and that Washingion should stick to a policy aimed at maintaining a balance of East-West power in Europe hoth those developments. West Germany would see not just its accompanied by Sovict threats, hopes for detente disappointed A similar development now but its very security enmight, it is felt, convince the dangered.

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## World oil supply and demand on knife edge, says IEA chief

WORLD SUPPLY and demand for oil are in such tight balance British Under-Secretary of State that loss of production by a for Energy, listed what he relatively small producer could regarded as the three most cause havoc in international important elements of the UK's markets, Dr. Ulf Lanizke, execu- approach to energy policy: prictive director of the International Energy Agency, between all fuels, and energy national Energy warned yesterday.

of a Financial Times world conference on energy and industry,
Dr. Lantzke said that although Speaking on the opening day oil stocks were being built towards a healthy level, and it did not appear there would be real difficulties in keeting through me winter this improved outlook could breed

complacency. In the sbort term, further serious risk remained. It was uncertain bow long Saudi Arabia would maintain production of 1m barrels a day above its announced ceiling. The political situation in Iran had not yet stabilised and the possibility of reduced production levels in other countries was at least under discussion.

Dr. Lantzke said that as 1979 ended, little or no spare capacity existed to absorb changes unexpected developments in oil supply or demand.

The medium term prospects to 1985 also presented Governments with serious problems. Maintaining economic growth at levels previously considered desirable to keep comployment at acceptable levels could result in a large unsatisfied demand for energy, equivalent to 3m-4m b/d of oil

Recent trends, iocluding slower economic growth, growing energy efficiency, and some prospect of accelerating indigenous supplies, could digenous supplies, could significantly reduce the potential deficit, if at the same time OPEC increased its pro-

duction level.
Against this, however, Dr. Laotzke said that OPEC production might not increase much above current levels. Dr. Dieter von Wnrzen, the West German Secretary of State for Energy emphasised the role of coal and ouclear power in a speech read to the conference on his behalf.

"During the next 20 years or he reckoned that available o, we shall only be able to energy could grow by 3 per cent so, we shall only be able to make real progress along the path leading sway from oil if make real progress along the path leading sway from oil if we strengthen and consolidate two of the pillars oo which our energy supply will reat more and more—nuclear energy and coal," he said.

energy could grow by 3 per cent per annum.

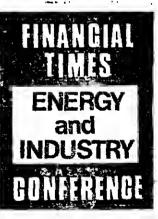
However, if hoth OPEC and the increase could he in the region of 1 per cent per annum.

He thought that a more realistic estimate was around 3 per cent

Mr. Norman Lament, the conservation.

The price of fuels, be argued, tionship to the price of competing fuels.

Mr. John Winger, senior energy economist at the Chase Manhattan Bank, produced



figures to show that investment in the U.S. by the oil and gas industry since the Second World War bad closely followed price changes.

"No special effort is needed by the Government to boost investment," he said. "If the price improves, industry will

At the same time, Mr. Winger pointed to a falling reol return in the U.S. oil industry on capital invested and said that "either Government allows the industry to retain more financial resources for research of the Government must do the work themselves.

Mr. T. F. Hart, co-ordinater of group planning for the Shell International Petroleum Ca. produced two broad estimates of likely energy growth in the non-Communist world up to

If there was a vigorous response to the oil crisis hy both OPEC and the OECD countries.

#### W. German vehicle output increases in September

FRANKFURT—West German bank is interested in allowing the D-Mark to appreciate against 392,399 a year earlier, the West German motor industry associa-

tion, VDA, said. nine months of 1979 to 3.21m compared with 3.12m a year

earlier.
The VDA said cars and estate cars dropped to 2.98m in the nine months, against 2.90m a year earlier, while commercial vehicles rose to 233,500 from 215,339 in the same 1978 period. Vehicle exports in September totalled 185,000 against 133,562 in August, and 191,894 in September, 1978, the VDA said. In the nine-month period. vehicle exports rose to 1.60m from 1.52m a year earlier.

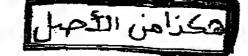
• Suppositions that the Bundes-

motor vehicle production rose to 360,300 in September from 259,356 in the boliday month of August. But it was down from the central bank president Dr. Otmar Emminger said yester

This brings output in the first delivery at an international ine months of 1979 to 3.21m symposium, he said the Bunder bank has also been accused of taking precisely the opposite step, allowing the dallar to firm teo far and thereby helping West German exporters. This

Is also untrue, be added. "We do not try to manipulat the exchange rate of the D-Mark in one way or the other.

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#### **EUROPEAN NEWS**

#### First loan to German steel under **EEC** plan

By Our Bonn Staff

THE DM 150m (£39m) loan which the European Commission has granted to Friedrich Krupp Huettenwerke, ia thought to be the first to a West German steel company under the EEC programme encourage faster restructuring

in the industry. A spokesman for FKH, the major subsidiary within the Krupp group, said the long-term, low-interest loan would be used mainly in the development of special steels technologies but that the benefits would be spread over several of the com-

FKH is engaged in a major re equipment programme, takuous casting unit for producing special steel billets at Siegen.

The West German steel industry bas been particularly critical about what it claims is over - subsidised competition from other European producers like Britain, Italy and France. But FKH, which has benefited in the past from European Coal and Steel Community loans, stressed yesterday that the latest move could not be viewed as a subsidy and that the money would not be used to create new

capacity.
The loan comes at a time when there is a slight upturn in the fortunes of the West German steel market. Figures released yesterday by the Iron and Steel Association abow that new orders were up again in September to 1.9m tonnes for rolled steel and finished products (the figures exclude orders for special steels and semi-finished products).

Deliveries were also up in September resulting in a slight reduction in the backlog of orders. New orders have on

orders. New orders bave oo average been 100,000 tonnes up on the monthly average for

O Chalrman Hua Guofeng. the Chinese leader, bas softened the tone of his anti-Soviet criticism during his visit to Bonn and has shifted the focus of his talks to economic cooperation.

strengthen themselves against and prescription charges under hegemonism," the expression the Chinese usually use to describe the Soviet Union, but the faster rate than the growth in tenor of his speech was less the country's gross domestic aggressive than in Paris.

## Budget debate chaos strains French coalition

BY ROBERT MAUTHNER IN PARIS

FRENCH Assembly's rejection on Monday night of the revenue provisions of the 1980 budget has seriously undermined the Government's authority, and bas opened a new chapter in the already tense relations between the Gaullists and President Giscard d'Estaing's administration.

The systematic opposition to the budget by the Gaullists, one of the two main partners in the ruling coalition, has created a situation unprecedented since the creation of the Fifth Republic in 1958. A President. ing advantage of the breathing space provided by the Davignon minimum price plan. It has installed what it says is obtain the Assembly's support Europe's first six-line continfor the most vital pieca of legis-lation of the year.

If a major political crisis has been avoided so far, it is because there is still time for a compromise to be worked out, and because the Government can make use of a constitutional provision to force the budget's adoption.

Failing an agreement by November 17, when the budget comes up for a second reading, M. Raymond Barre, the Prime Minister, can make the budger a question of confidence. It can only be rejected then if an absolute majority of deputies supports a censure motion. The Gaullists bave already made clear that they would not be prepared to bring down the Government in this way.

The voting on Monday night took place in utter confusion, reminiscent of the worst days of the Fourth Republic. After the defeat of a Gaullist amendment providing for a cut in the central administration's running costs of FFr 2bn (about £220m), the Gaullists retaliated by abstaining fro mthe vote on the whole revenue side of the budget.

This was defeated by the combined forces of the Socialist and Communist opposition parties. Even the most seasoned observers of the French parliamentary scene threw up their bands in amazement at the " ad boc" combinations and reversals of traditional alliances which brought about this state of The Assembly is now in the

ludicrous position of baving to discuss the expenditure side of the budget without knowing whether it can be covered by Treasury receipts.
For the Gaullists, and particu-

larly their leader M. Jacques Chirac, the debate has presented a unique occasion for establish-

#### Doctors strike over moves to curb health spending

BY DAVID WHITE IN PARIS

FRENCH doctors yesterday staged a 24-hour strike in pro-test against the Government's tions being lumped together. measures to contain the rise in health spending.

Although emergency services were maintained, the strike rewere maintained, the surke ceived a large following among sary.

The It was called by the Confedera-tion of French Medical Unions (CSMF) and supported by other medical representative bodies. The doctors' grievance is a scheme drawn up by the Gov-He did urge that all countries | eroment whereby medical fees the social security system will product

The doctors are protesting against their fees and prescrip-They say the measures affect their freedom to examine patients and prescribe treatment as they consider neces-

July measures were brought in at a time when the rise in national bealth costs bad accelerated to 23 per cent a year. A scheduled rise in docfees was cancelled, chemists' rebates on medicines were reduced, bospitals were subjected to stringent budgets and employees were asked to pay an extra 1 per cent social security contribution for 18 months to help meet the spiral-

#### Italy deficit of £325m worst for two years

By Rupert Cornwell in Rome

THE DANGER signals for the Italian economy have become more ominous with the publication of the latest balance of payments figures which show a deficit of L 589bn (£325.6m) for September, the worst monthly return for more than

The deficit reduces the accumulated surplus for the first three quarters of 1979 to L1,854bn, empared with L4.992bn at a similar point last year, and suggests that the final surplus for this year will be less than half the record L66.4bn [£3.72bn) of 1978

To an extent, the deterioration is due to normal factors
the end of the tourist season and the repayment of L300bn worth of official borrowings. clearing in the process the last of Italy's debts with the International Monetary Fund.

In addition, the country's commercial banking system reduced its foreign debts significantly during last month. generating a net outflow of L 110bn from overall reserves. It was io part to staunch this trend, in response to higher interest rates abroad, that the Bank of Italy tifted its discount rate to 12 per cent from 10.5 per cent earlier this

Most worrying, bowever, is the apparent deficit on current transactions last current transactions last month of about L200bn. This represents a marked turn-around from the long period of current surplus. .

Underlying the swing into deficit are the sharp increase in energy prices, the full impact of which is only beginning to be felt, and the rapid rise in domestic inflation, now running at about 17 per cent on an annual basis.

Following last month's jump of 2.5 per cent in retail prices, early indications from the main Italian cities suggest that this month might well see a further increase of up to 2 per cent. At the same time economic growth is starting to slow and 1980s expansion is at best forecast at 2.5 per cent, compared with about 4.5 per cent takes

#### EUROPEAN PARLIAMENT FLEXES MUSCLES OVER UK CONTRIBUTION

## MPs demand say on budget issue

BY ELINOR GOODMAN, LOBBY STAFF

yesterday asserted its right to line for a solution to the be involved in discussions about budgetary problem. bow to cut the cost of Community membership to Britain, motion to a vote yesterday

MPs meeting in Strasbourg followed a heated debate on voted overwhelmingly to call Monday during which MPs EEC Commissioners to Strassbowed their resentment at the bourg next month to explain the way they felt the European thinking behind the various Council options put forward for solving powers which bad no basis in the problem. This will be before the European treaties, they go to Dublin for the Euro- The resentment focused on of the month.

gress made at the meeting at which Mrs. Margaret Thatcher, that the Commission will have may not have left herself meal imports to France was the British Premier, ahas made to provide Parliament with a enough room for manoeuvre

THE EUROPEAN Parliament it clear she regards as the dead- copy of these proposals when

The decision to put the

pean Council meeting at the end fears that the Commission was deliberately refusing to give The Socialist motion also Parliament the opportunity to requires a Council member to discuss the options paper which report to Parliament on pro- it has drawn up.

Yesterday's resolution means

means suggest that Britain can look to the European Parlia-

tion in the nct cost of member-

Some Conservatives were they are ready. The motion was saying yesterday that she risked supported by almost all politi- either baving to climb down or cal groups, this does not by any opening a serious rift with the rest of the Community. Others, however, seemed genuinely enment for support for the size of thusisatic in their support for the reduction it will be seeking her taches. They argued that y felt the European in Dublin. Even without the anything short of the position was accumulating delegation of 61 Conservative being adopted by the Prime members, opioions are divided Minister would be a betrayal of over the wisdom of the tactles the promises made during being adopted by British Minis- European election campaign. the promises made during the

The European Tories failed Though all agree that Britain yeslerday in another campaign must demand a sizeable reduc- 10 have Britain's problems discussed by Parliament. A motion ship, some European Tories are calling for an emergency dehate concerned that Mrs. Thatcher on the whole question of sheep

#### E. Germany exiles

author ONE OF East Germany's most popular authors, Herr Guenter Kunert, has joined the growing number of East German writers and artists who are being forced

to leave their country for the

Herr Kunert (50) has come to West Germany after learning that bis books were being re-moved from public libraries in East Germany because of his opposition to the country's cultural policy.

A few days ago a well known East German actor, Herr Armin Mueller-Stahl, arrived in West Germany after one of his films was blacklisted because he had protested against the expulsion in 1976 of the East German poet and balladier, Herr Wolf Biermann.

Last week the East German economist and Marxist critic of his society, Herr Rudolf Bahro. was put on a train for West Germany after being released from prison in a general amnesty. Dozens of other East Germans who openly voiced critical opinions about their country's "existing socialism" bave also heen encouraged by the authorities to leave.

ire unable to visit.

## Belgium's language war flares

BELGIUM'S PRECARIOUS political calm of recent months now risks being upset by a sharp resurgence of the country's bitter "language war" between the francophone Walloon com-munity and the Dutch-speaking Flemings.

In the wake of violent claahes in eastern Belgium at the weekend, the political spotlight in Brussels has moved from examination of Prime Minister Wilfried Martens's programme for stemming state spending to the volatile issue of community

The latest community crisis units of the gendarmeric.

was triggered by rioting last Sunday that resulted in one of Belgium's foremost Flemish militants being charged under legislation forbidding private

The riots took place in the Fourgns region, a French-speaking enclave of Flanders close to the Dutch border. In what appears in have been a wellplanned demonstration, about 1.500 militants belonging to the hard-line Flemish organisation. Vlaamse Militante Orde (VMO). invaded the town of Fourons-le-Comtc. occupied the town hall and clashed with paramilitary

Almost the arrests were made. but the Belgian authorities most significant step has been to charge the leader of the VMO. with contravening a 1934 law against the formation of private armies or militia

The case against the VMO leader threatens to create further political tensions, even though M. Martens has already taken steps to head off a con-frontation between the political representatives of the inilitant fringes on both sides at the community divide through informal main party leaders

## 10 years' jail call in Prague trial

BY ANTHONY ROBINSON, EAST EUROPEAN CORRESPONDENT

THE PUBLIC prosecutor yester- a suspended sentence of up to day called for the maximum two years.

sentence of up to 10 years' jail

for three of the six Czecho a public one, is being held in a small court from which friends day ran for 11 hours and the speced with the proceedings are taking place. The first session on Monslovak dissidents on trial in Prague on subversion charges. The prosecutor singled out playwright Vaclav Havel, observers have been denied a spossible.

Observers have been denied as possible.

The prosecutor singled out diplomats, journalists and legal wants the trial to end as soon as possible.

The prosecutor singled out diplomats, journalists and legal wants the trial to end as possible.

The six accused, members of the Charter To civil rights group and the Committee for the Defence of the Unjustly Persecuted.

Prague. He called for lesser ers of the accused wbo tried to cuted, were arrested in May in

of the accused, Western diplomats, journalists and legal

the authorities to leave.

Herr Kunert was especially popular among East Germans because of his poetry, sbort stories and the diaries of his travels in Western countries who is a psychologist and which most of his compatitots who is a psychologist and who is a psychologist and mother of seven children, the called for lesser ers of the accused who tried to cuted. were arrested in May enter the court on Monday, a police cruckdown.

Several are still in custody. Christopher Boblinski ad according to dissident sources. From Warsaw: Polish police of the accused who tried to cuted. were arrested in May enter the court on Monday. Christopher Boblinski ad according to dissident sources. From Warsaw: Polish police of the accused who tried to cuted. were arrested in May application of the most of the accused who tried to cuted. were arrested in May application of the most of the accused who tried to cuted. were arrested in May application of the most of the accused who tried to cuted. were arrested in May application of the trial tailed 15 students from Krak has been limited to the laconic announcement by the official meeting against the Praguctural countries in May application of the court on Monday. Christopher Boblinski according to dissident sources. He called for lesser the court on Monday. Christopher Boblinski according to dissident sources. He called for lesser the court on Monday. Christopher Boblinski according to dissident sources. He called for lesser the court on Monday. Christopher Boblinski according to dissident sources. He called for lesser the court on Monday. Christopher Boblinski according to dissident sources. He called for lesser the court on Monday. Christopher Boblinski according to dissident sources. He called for lesser the court on Monday. Christopher Boblinski according to dissident sources. He called for lesser the court on Monday. Christopher Boblinski according to dissident sources. He called for lesser the court on Monday. The called for lesser the court on Monday. The called for lesser th

however, are reported to have signs are that the prosecution wants the trial to end as soon

a police cruckdown.
Christopber Boblnski adds
from Warsaw: Polish police detained 15 students from Krakow who planned to hold a protest meeting against the Prague trials outside the Czechoslovak

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## Why Salisbury is squeezing Kaunda

Zambia is short of food and deeply in debt. Will Rhodesia now launch an economic blockade of its neighbour? Michael Holman reports.

PRESIDENT Kennetb Kaunda's It is just over a year ago that reopening. copper had been use one of their two outlets to warning on Monday night that Rhodesian fighter aircraft congression and South African ports.

Rhodesian and South African ports.

Rhodesian and South African ports.

Troops were in southern toops were in southern toops were in southern toops were in southern toops. military and economic vulner-

It was 14 years ago that the economic lifalines in an attempt to force the rebel colony back to legality. Zambia led the way. But today it would appear that a change in Rhodesian military tactics bas left Salisbury poised to turn the tables and use trade as a political weapon against Zambia. During the past few weeks, the Rhodesians have sabotaged a major railway bridge on Zambia's northern route to the

sea. They have also blown up three bridges in Mozamhique on the line used by Zambia to reach the east coast port of Beira, although the smaller port of Nacala is still being used. The road link to South Africa via Botswana has been closed since April, when Rbodesian aircraft destroyed the ferry at the Kazangula

Tbia has forced President Kenoeth Kaunda's landlocked state into greater use of the southern line running through Rhodesia aod Botswana to South Africa. This route carries about half Zambia's trade. In the next few weeks, it must bring in some 200,000 tons of maize if a serious food shortage is to be averted. Whether the line can now cope is questionable. Zambia may well have to re-open the Victoria Falls road

clear. It is to ensure that Zambian installation. Zambia'a economic needs On the face of it. Zambia'a economic needs On the face of it, Zambia is become incompatible with Dr. highly vulnerable. The country Kaunda's continued support for Patriotic Front, part of whose 15.000-strong army operates against Rhodesia from Zambia. The hope of the Salisbury Mr. Nkomo, who with Robert Front delegation to the Lancaster House talks, will find Increasing and exceed £230m. himself under from his Zambian hosts to accept British settle-been falling, partly because of ment terms and return to a sbortage of skilled expatriate

Salisbury. wbo has the backing of the Soviet Union and Cuha, will stocks depleted. refuse to give in to such But Zambia's most serious pressure. Since his army out- short-term need is food. The numbers that of Dr. Kuanda. current crisis began some 12 he be forced out of Zambia if he chose to stay?

of five African front-line states. Kaunda had kept the line closed

DESTINATION: FROM LONDON

Genoa

Milan

**Naples** 

Pisa

Rome

Turin

Venice

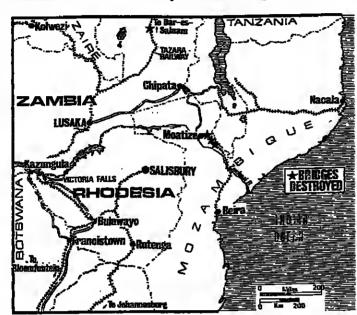
were in southern several hours and bombed in- was urgently needed Zambia underlines his country's stallations of Mr. Nkomo's farmers in time for the rains. African Peoples Zimbabwe Union near Lusaka. Since then the Rhodesia route came too late there have been frequest air world tried to cut Rhodesia's and ground raids, including an audacious attack on Mr. Nkomo's residence in the middle of

> These attacks have often been accompanied by propaganda leaflets declaring that the "Rhodesian terrorists" and and not Zambia itself. The sahotage on the to feed Zambia for only five Railway Tanzania - Zambia

The reopening last autumn of

for the fertiliser to reach alt the farmers. Maize production was also affected by a one-third fall in acreage planted — a response to low prices. On top of all this, there was a severe

The result was that the 1978-79 crop fell from the average 6-7m bags to 2.5m bags-enough montha. Though estimates vary.



On the face of it, Zambia is

depends on copper for over 90 Joshua Nkomo, co-leader of the per cent of export earnings. Yeara of low prices have cut domestic revenue from the mines to zero and created an acute foreign exchange shortgovernment appears to be that age. Zambia's reserves are almost exhausted and arrears Mugabe, is leading the Patriotic in payments for imports and remittances of profits and divi-dends stretch back over a year

Production at the mines has workers. Business and industry Alternatively, a situation are operating well below could arise where Mr. Nkomo. capacity, desperately short of foreign exchange, and with

months ago, when inefficiency on the 1.120 mile Tazara line Either way. Zambia. as a forced President Kaunda to re-prominent member of the group open the Rhodesia route. Dr. would be in considerable to Zambian traffic since January Salisbury government has that difficulties.

1973. In the months before the they themselves can continue to 1973. In the months before the they themselves can continue to

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£214

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60%

65%

61%

65%

60%

62%

nk. (Tazara) bridge marks the Zambia is expected to run out The Rhodesian purpose seems first significant attack on a of bome-grown maize around the end of this year. With 40 pcr cent of the 5.5m population living in towns (one of the highest percentages in Africa), a shortage of this staple food would have profound political repercussions.

> These are the stark facts which bave forced Zamhla to turn to South Africa for 200,000 tons of maize, in addition to some 75,000 tons either already provided or on its way from Britain, the U.S., the European Economic Community, Kenya and Malawi, The bulk of this food must come on the southern railway through Rhodesle. That is the size of the weapon that Salisbury now holds in its hand. But should Salisbury do more than threaten to use the route as a polltical weapon, the

> strategy could backfire. So interlocked is the soutbern African transport system that a move against one country can bave serious repercussions for others. It is ironic, but the fact that the Rhodesia line serves Zamoia is the best guarantee that the

out of consideration for President Kaunda, bas pledged not to sabotage the line used by the Zambians which runs through the territory in which ZAPU guerrillas operate, and on via Botswana into South Africa.

Rhodesia's second rail link with South Africa, via Ruteoga and Beitbridge, runs through territory in which guerrillas of Robert Mugabe's Zimbabwe African National Union operate. ZANU bas frequently attacked the line, though with limited SUCCESS

But Rhodesia's strategic considerations are even more complex. Zaire, whose government privately sympathises with Bishop Abel Muzorewa, the present Rhodesian prime minister, and whose economic plight is far more serious than that of Zambia, also needs to use the Victoria Falls railway line.

Zaire's copper and cobalt producing province of Shaba provides 60-70 per cent of the country's foreign exchange. This vital province depends on the railways through Zambia and Rhodesia for 60 per cent of its copper exports, and for the bulk of its imports, including maize and coal from Rhodesia, and a wide range of goods from South

During the five years when Zambia refused to use the southern rnute, Presidant Kaımda allowed Zairian traffic to continue. He might well reverse this decision if his country's future was at stake.

Although Zaire could con-tinue to use the tortuous river and rail link to its west coast port of Matadi, closure of the southern route would cause enormous problems, with serious potential repercussions for the West. It would place further strain on the far from stable Government of Zaire,

Any move by Salisbury to cut Zaire's economic lifetine could antagonise the very states whose support Bishon Muzorewa is currently seeking

Finally, Rhodesia could not be sure how Dr. Kaunda would react to an economic blockade. Would he sacrifice his deenly held principles and push Mr. Nkomo into a British settlement? Or would be fulfill his oft-repeated threats to accept greater military help from eastern bloc states and brace himself for an internationalised southern Africa conflict?

most serious crisis fince inde-pendence in 1964. The results the Lancaster House talks on Rhodesia could mean as much for Zambin as for any of the participants at the conference.

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# exports

THE United Arab Emirates (UAE) is considering two major steps to preserve the security of its oil supply at a time when there is increasing concern over the balance of forces among countries around the Guif.

The first step is to construct a military airport in the emirate of Fujeirah, a tiny sheikhdom on the east coast of the country just south of the Omani-held Ras Musandam peninsula.

The town of Fujeirah is 60 miles from the tip of the strait and overlooks strategic shipping lanes through which two-thirds of the non-Communist world's oil nasses. Construction of a military airport would repre-aent a major move by the Gulf of oil and gas to the West. state to increase protection of after months of speculation the Straits of Hormuz. The second step involves the

construction of a 150-mile pipe-line, from Abu Dhabi, the state's major oil producer, to Fujeirah. This would allow Abn Dhabi to divert its oil flow easily to the east coast in the event of a security problem in the straits themselves, and leave supplies to world markets uninterrepted.

Disclosure of the projects came from a senior official who said he was speaking with the full authority of the Fujeirab ruler, Sheikh Hamad hin Mobammed al-Sbarqi. However. no immediate confirmation was available from federal sources in the UAE capital, Ahu Dbahi. The fact that either step is

being considered is an Indication of the new strategic importance being attached to developments over the past year in Iran. It also shows a new appreciation in the UAE of Fujerah's desirable location in relation to the Straits of Hormuz. Fujeirah is one of the poorest

but most beautiful Emirates in the country. It has yet to be hlessed by oil, though drilling is continuing, and apart from a few so called tile factories, a hotel and scattered experimental farms most of its inhabitants still make their living by fishing. In recent years many of its young people bave drifted to-wards the bigger UAE cities.

The proposed pipeline would be complemented by full tanker facilities for oil loading. Plans have also gone shead this week for a £28m port for general Whatever it is that the Salis mearge consisting of four berths bury Government is planning to be built in the emirate. The President Krunda is facing his port will take 27 months to port will take 27 mouths to complete, will accept vessels up to 10,000 tornes and is being built by the South Korean company, Hyuodal. Fujeirah officials hope that

coastruction of an Abu Dhabistimulate further commercial Interest in the emirate, particularly for oil-based industries.



#### Kabul inquires into arrest of journalists

FGHANISTAN'S Ministry has told the British Embassy in Kabul that it is investigating the detention there on Sunday of two British journalists, a Foreign Office spokesman in London said

yesterday.

The British Vice-Consul was permitted to see the journalists

Michael Fathers of Reuters, and his wife Della Denman, who is a correspondent of the Guardian—soon after they were

Guardian—soon after they were arrested as they were about to fly hack to their base in Islamabed.

But the official was twice refused permission to visit the couple on Monday. The authorities had indicated that a meeting might be possible yesterday.

The Foreign Office said it was understood that no charges had save you money if understood that no charges had heen preferred against the journalists and that under Afghan law a person could be detained for three days before charges were preferred. The Afghan authorities have so far made no statement about the **Seeyour** Alitalia

case.
Mr. Fathers, 37, a New Zealander, has worked for Reuters since 1970. The couple's two young children are being cared for by friends in Islamabad.

Amin notes rejected

NAIROBI — Ugandan shopkeepers are refusing to accept the country's old currency notes hearing pictures of Idi Amin, Radio Uganda said yesterday. The old notes are being exchanged at banks for new ones bearing a picture of the Bank of Uganda. Radio Uganda, monitored in

Nairobi, said Mr. Jack Sentongo, the Ugandan Finance Minister, bad condemned traders who rejected the old notes, which remain valid until October 28.

## UAE plan U.S. arms aid will affect to protect Morocco's Saharan war

BY ALAN FRIEDMAN IN LONDON AND DAVID BUCHAN IN WASHINGTON

Carter to ask Congress for approval to sell armed reconnaissance aircraft and helicopters to King Hassan of Morocco is likely to be seen as a major move by the United States in the deepening war in the west-ern Sahara. The U.S. Gavernment has stated that the decisision is in line with an agreement signed 19 years ago which anthorised the sale of U.S. weapons for defence purposes. But the new move could bolster the position of King Hassan.

The King is fighting the Algerian-backed Polisario guerrilla movement, an organisation seeking to defeat the Moroccan attempt to annex the phosphaterich desert area. By agreeing to supply Morocco with military aid now, the U.S. could well cndaneer its relations with Algeria, an important supplier The U.S. announcement came

of the arms supply question. The U.S. decision was influenced by three major factors. First. Mr. Charles Duncan.

the U.S. Deputy Secretary of Defence (now Secretary of Energy), travelled to Rabat in early June and filed a report to President Carter. Then leading memhers of the Senate Foreign Relations Committee including its chairman, Senator Frank Church, advocated sup-port by the U.S. for King Hassan, Finally, attacks by Polisario guerrillas within Morocco's various parties in the Middle borders were crucial in convincing the President and others

THE DECISION by President that some show of aid was official said yesterday that the appropriate.

Many in Washington feel that, after the fall of the Shah in Impose a military solution in Iran and of Mr. Anastasio the Western Sahara, though he Somoza, the

Nicaragua, U.S. policy-makers would lead to a fruce and nego-

King Hassan: a boost for bis regime are being pressed to prove that

the U.S. would not abandon its In the hroader context of the Middle East peace process, the Carter decision can be seen as an attempt to support one of the few "moderate" Arab leaders. King Hassan has often served as a go-between among the

proposed arms sale would not be enough to allow Morecco to President of could give no assurance that it

The exact amount of the praposed sale, which will include ground support aircraft and ome Cohra helicopter gunships has not yet been negotiated with Rabat, which is likely to get Sandi Arabian financing for

Congress will have a 50-day period to review the decision. which ran into immediate criticism from the chairmen of the Senate and House of Representatives African Affairs subcommittees. Senator George McGovern and Representative Stephen Solarz, who visited North Africa in recent weeks an a fact finding mission.

Mr. Solarz issued a statement saying the move would "encourage intransisence rather than flexibility" by King Hassan "and will prolong the war rather than

shorten It."

The decision was a finely balanced one for the Administration, and was apparently taken by Mr. Carter on the advice of Mr. Harold Brown, the Defence Secretary, and Mr. Brezezinski, the Security Adviser, Zbignicw National against the judgment of Mr. Cyrus Vance, the Secretary of State, Mr. Vance argued that State. Mr. Vance argued that the U.S. would be better off mercly increasing its supply of low-level weapons in such a A senior State Department politically sensitive dispute.

## Egyptian hopes high for Sinai oil

BY ROGER MATTHEWS IN CAIRO

oil discoveries in over 22,000 square kilometres onshore and offshore northern Sinai. The area was handed back by Israel this year under the terms of the peace treaty between the two

Some 19 blocks, each approximately 1,200 sq kms, will be open for bidding from early next month and awards are expected to be made in Feb-

interest, with most of the international majors and independents likely to bld. The Egyp-tians believe that Israeli pros-pecting during nearly 12 years of occupation revealed several good shows of oil and the possibillty of extensive gas fields.

chances of oil being found in recoverable quantities and point will be able to maintain the 1m out that without massive invest- b/d level if new discoveries are ment in gas liquefaction plants not found outside the Gulf of there would be little possibility Suez which partly explains the of being able to market gas in sizeable quantities. Egypt has no gas pipeline net-

work, although the Government has commissioned feasibility studies for selected residential areas and is also planning to introduce gos to industrial zones.

580,000 barrels a day and, by conserve the life of the field. taking full advantage of the spot market, total earnings this year cood shows of oil and the possicoveries in the Gulf of Succ are willing to increase this figure if
brought on stream. The Gulf is there is a boost in Egyptian
by far Egypt's most productive output.

EGYPT IS hoping for significant more sceptical about the and promising oil-bearing area. It is doubtful whether Egypt strong official optimism over northern Sinai.

Egypt has recently acquired the Alma field from Israel, offshore towards the southero end Izzeddin Hilal, the Oil Minister expected to be made in Feb-introduce ges to industrial zones, has said production will be cut Egypt's oil production is from 38.000 b/d to around officials report considerable currently running at about 20,000 b/d or less in order to

Israel will be watching the exploration programme could top \$900m. The magic interest as President Sadat has target of 1m b/d should be pledged to supply it with 2m reached in 1982 as further dis- tonnes a year and might be

#### U.S. and Arab League in | Senators urge Lebanon peace efforts

BY IHSAN HIJAZI IN BEIRUT

ARAB and international efforts Lebanon, to bring stability to Lebanon gained momentum with the arrival in Beirut yesterday of Fr. Chadli Kebli, the Arah League secretary-general, and Mr. Philip Habib, a senior U.S. diplomat. They are on separate missions, which newspaper reports describe as a race between Amb and American initiatives.

Though on different courses, they ere seeking to stabilise the hrittle truce in southern Lehanon. Apart from occasional flare-ups. the area has been relatively calm since tha United Nations arranged a ceasefire four weeks ago.

France too is involved in a diplomatic effort of its own. A Foreign Ministry official, M. Gabriel Robin, ended talks bere on Monday after meeting President Elias Sarkis. He arrived in Beirut after Frencb Government bad clared its readiness to offer any assistance which the Lebanese Government might require to ease tensions.

Mr. Robin earlier hald talks with Mr. Yassir Arafat, chair-man of the Palestinian Liberation Organisation. Mr. Hahlb will not be meeting with any PLO officials, a State

would be obtained through a third party. Press reports bave suggested that France might be that third party. The Palestinian

Palestiniau views

and their left-wing Lebanese allies bave already attacked the U.S. initiative, terming it an attempt to force Lebanon into between Egypt and Israel. Lebanese Christian right-wing

leaders bave called for an end to Arab involvement Lebanese affairs. One of the leaders, former President Camille Chamoun, has said that an all-out violent sbowdown will occur if Palestinian guerrillas and Syrian troops are not removed from Lebanon. Mr. Klibi said the agenda of

the next Arab summit conference would be the main subject at hia talks with officials bere. The Tunisian Government bas agreed to host the summit on November 20. Lebanon wants the summit to

bring pressure on the Pales-tinian guerrillaa to end thair cross-border operations against Israel and to withdraw from poaltions south of the Litani

Mr. Hahib, who is of Leha-nese origin, is reported to be Department spokesman said in washington. He added, however, seeking to double the numbar that since a PLO role was of UN troops stationed in the important for peace in southern south to about 10,000

## Kampuchea relief convoys

By Richard Nations in Bangkok

THREE U.S. Senators are flying to Phuom Penh today to seek approval for overland convoys to carry thousands of tons of food from Thailand across the border to starving Khmers deep in the interior of Kampuchea.

The congressional mission which arrived in Thailand on Sunday to dramatise President Carter's appeal for funds to relieve Kampuchea, believes the project could operate under the Red Cross/Unicef relic' arrangement. But they sav that the airlift and aeaborne operations now planned will provide less than half of the food needed to keep the majority of the Kampuchean population alive over the next six months.

Approval for their visit to Phnom Penh was given yester-day by Mr. Nguyen Ko Thach. Vietnam's Vice-Minister for Foreign Affairs, who met the three Senators and the U.S. Under-secretary of State for Asia and the Pacific, Mr. Richard Holbrooke, at the Vietnamese

Mr. Thach said acceptance or rejection of the Senator's proposals was a matter for the Kampuchean government of Heng Samrin

## Iran army warning over Kurds

BY ANDREW WHITLEY

FORCED on to tha defensive by the success of a widespread rebel offensive in Kurdistan, the Iranian army said yesterday that it was reaching the end of

The warning coincided with the loss of another eight soldiers, killed when their truck was blown up by a landmine near Piranshahr, not far from the Turkish and Iraqi borders.

Gen. Mohammad Hussein Shakar, the Chief of Staff, was reported as saying that the present situation could not continue. However, the rebel forces are still in control of the centre of the provincial town of Mahabad and claim to have taken over another border town.

The Piranshahr incident confirms the increasing sophistication of the range of weapons at the disposal of the rebels, led by Party, as well as their range of

control, apparently across international frontlers. Reports from Tehran suggest the behind-the-scenes efforts of recent weeks to bring about a nagotiated solution may have run into difficulties.

According to the Perslan lan-guage dally, Bamdad yesterday, the Cabinet has decided that only three men are entitled to negotiate with the Kurds. They were named as Mr. Mustafa Chamran, Defence Minister; Mr. Hasbem Sabaghian Interior Minister; and Mr. Ezzatollab Sahtabi, in charge of the Pian and Budget Organisation.

decision deliberately to exclude the man who was reported to have made most progress in talks with the rebel leaders through inter-mediaries, Mr. Darius Foronbar, a receotly-demoted Government Minister, who has just the banned Kurdish Democratic returned from the region. The outlines of a solotion

were said to have been put to Ayatollah Khomeini at a meeting with the Cabinet in Qon ovar the weekend. But there has ben no word of the outcome, sugleader is still refusing to make any significant concessions to the Kurds.

The bead of the armys' 64th Division, which has borne the brunt of the fighting in Kurdistan, said yesterday that any house in Mahabad from which rebels shot at soldiers would be destroyed. "We shall destroy the owl and its nest." General Zahir Nejad told the official Pars news agency.

Swollen by refugees from the surrounding countryside. Maha-bad is believed to be running short of food. The army denies operating an economic blockade. saying it is controlling travellers simply to stop the flow of arms

to follow suit.

"My car couldn't have chosen a more desolate spot to break down. I abandoned it with ill-disguised anger and started walking.

I had been going for maybe half an hour when a Volvo estate drew up beside me. Such is my dislike of the car, that had it not been raining I would have waved the driver on."

Let me start by admitting to a certain amount of irrationality when it comes to cars.

I have always bought cars that are faster than they need be, more luxurious than they should be and more expensive than they've any right to be.

In short, when on four wheels, I am a confirmed

seeker after pleasure.

COT Sing T

In the opposite corner, I always imagined were Volvo. Austere, frugal and eminently sensible.

The kind of car your mother would say was good for you.

Judge then my feelings as the Volvo stopped beside me on that rain-soaked road.

The driver was not some elderly hill farmer but a man I would not have put much above thirty-five.

"Can I give you a lift?"
he enquired as he held open
the door. "I passed your
cardown the road—beautiful
looking machine."

As I slipped into the passenger seat I noticed that I was sitting on real leather. (The first of many discoveries I was to make that evening.)

"Let me introduce myself,myname is James Durban." When on the defensive, I invariably hide behind formality.

My rescuer was more relaxed and told me that his name was Tony and that he had a house some twenty miles away.

"Have you driven far?" I asked.

"About 300 miles" he answered. "But it's very easy in the Volvo. The 265 is a very long-legged car."

"You must have spent a fortune on sound insulation" I said with an ear to the uncannily quiet performance of the engine. "Not a bit. It's a 6-cylinder engine. 2.7 litres with fuel injection and a light alloy block. And as you can hear very quiet."

The conversation was taking a turn that displeased me. As he steered the car expertly through the narrow country roads I attempted to steer the conversation towards more general topics.

"What do you do?" I asked.

"I'm a writer and I deal in antiques. I've just bought the coffer you see in the back."

I turned round and noticed that the rear seats had been folded flat and that we were travelling with a beautiful oak chest at least 6 ft in length.

By now I was beginning to go through that most uncomfortable of human emotions – a change of mind. However, I wasn't about to give up without a struggle.

"Yes a jolly practical car the Volvo, but it's a bit short on the creature comforts don't you think?"

Looking back I'm surprised he didn't turf me out there and then. Instead, he simply defeated me with facts.

"Well," he began, "there are a few standard features you might appreciate. Like air-conditioning, electric windows, power steering, heated driver's seat..."

"How thoughtfully Nordic"
I muttered gracelessly.

He continued with a light smile, "Metallic paint, electrically operated door mirrors, heated rear window, central locking."

I interrupted him. "Alright, point taken. And I suppose you still haven't come to things like a cigar lighter, electric clock and a light in the glove box?"

"Exactly" he replied. "The Volvo has all of those, not to mention stereo speakers in the front doors."

The rain had begun to ease and as my clothes dried out I recovered a little of my customary good humour.

"Well, it's certainly more comfortable than I thought, is it expensive?"

"With the automatic gearbox it runs out at £9,868."

When I thought of what I had paid for the piece of exotica languishing on

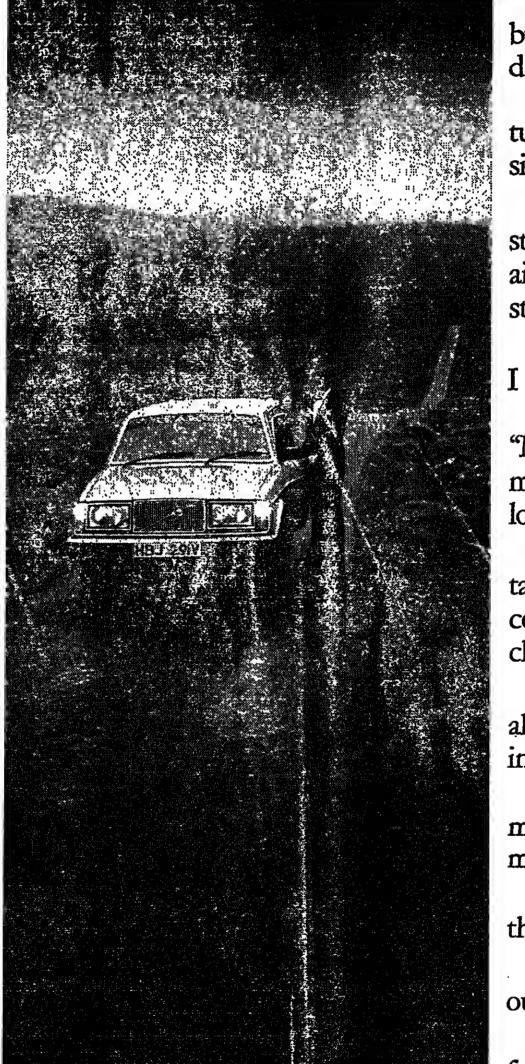
the road some fifteen miles behind us, I was stung to one last justification.

"Of course, my car is much faster. I can reach 150 mph on a good dry road."

"It's not quite so fast in the wet though, is it?" He asked the question in the mildest voice possible. To my credit, after a moment's hesitation, I burst out laughing.

"Touché" I said and for the rest of a very enjoyable journey we talked about antiques.

The Volvo 265.



## Central American cure for economic and social chaos

EL SALVADOR looks as though Col. Jaime Gutiérrez and Col. it is in for nearly three years Adolfo Majano, were to be of centre-left rule after the challenged violently by the coup carried out by middle major Left-wing guerrilla move-The effect of this development

El Salvador (The Saviour)— the nnly country in the world named after Christ—is the smallest and most densely populated state in the Western bemisphere. Its industrialists call it, somewbat grandly, the Rubr of Central America, and it claims, rather against the evidence, to be the most industrialised of all the small states on the Central American

isthmus. The middle-ranking officers who overthrew the fraudulently elected and politically discredited Gen. Carlos Humberto Romero last week bave since co-opted a number of Social Democrats, Christlan Democrats and even a Communist to help them in their task of governing the country until the presiden-tial elections planned for 1982. As the officers' manifesto pro-claimed, they ousted Romero because he had violated human rights, created "a veritable economic and social chaos" and dragged the name of El Salvador and its army into the mud. They were determined to cure these ills, they said, and carry out a profound economic, social and political transformation

For a few days it looked as of moderate opposition forces though the leaders of the coup, such as the Catholic church,

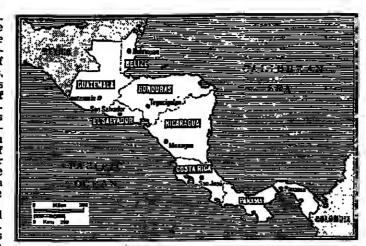
ranking army officers last week, ments. But it now seems as if could he out of all proportion have killed bundreds of to the tiny size of the country.

El Salvador (The Saniana) \$75m in ransom payments including a reported £5m from Lloyds Bank for the return of two of its employees earlier this year-are content to give the new administrations a chance to bring about some sorely-needed changea.

El Salvador bas been ruled by military men since 1931.

One of them, Gen. Martinez, was in 1932 responsible for a political massacre in which perhaps 20,000 people died. Power and wealth have been concentrated in the hands of a small ollgarchy known as "The Four-teen Families"; poverty and illiteracy are extensive. Social conditions in El Salvador under the military are comparable to those under the Somoza dictatorahip in neighbouring Nicaragua.

When Gen. Anastasio Somoza was defeated and put to flight in June by the Sandinista guerrillas, few dared predict that a similar change might come so soon in El Salavador. But the prophets bave been confounded. This is in large measure due to the greater-thanexpected force of the Nicaraguan example, in the strength



in El Salvador and Nicaragua

point to the continued rise in the fortunes of the broad Left

and reforming Christian Demo-

crats in Latin America. The

governments now look likely to

take their places beside those of Mr. Micbael Manley of

Jamaica, Mr. Maurice Bisbop in

Grenada, Sr. Jaime Roldós in

All of these leaders have

Sr.

Antonio

and

Ecuador

Republic.

social

leader. Oscar Romero of San Salvador, was the most constant and effective critic of Gen. Romero, and in the fact that Washington and many European governments had turned their backs on the

The departure Romero and Gen. Somoza must now raise question marks about the viability of the Right-wing and somewbat ill-defined regime of Gen. Policarpo Paz in Honduras, the poorest and weakest country in Central America, and that of Gen. Romeo Lucas, the extreme Rightist who rules with a rod of iron in the increasingly bloody and chantic republic nf

American Christian Democrats about whether or not to block from Guatemala and El Salvador to Chile and Venezuela.

Despite recent 0.5. ago in block about whether or not to block a Sandinista victory in Nicatragua. Washington's Latin American policy today is clearly In oil-rich Venezuela the vic-

tory of President Luis Herrera Campins, a Christian Democrat over Sr. Carlos Andres Perez, the Secial Democrat, has given the Christian Democrats in Latin America a great hoost, and Venezuela has been active within the framework of the five-nation Andean Pact in the fight against authoritarian government in Central America. Sr. Napoleón Duarte, who but for electoral fraud would have become El Salvador's first Christian Democrat president in 1972, spent much of his subsequent exile to Caracas.

The social democrats and the Christian Democrats are not Nicaraguan and Salvadorean acting alone. The PRI or Institutional Revolutionary Party of Mexico, under the forceful leadership of Sr. Gustavo Carvajal, its new secretary-general, has been seeking and finding party political friends, especially in Central America. in the Dominican

No less important has been formal or informal links with the slow, and often nesitant, shift in the stance of the U.S. towards change in Latin Americs. The initial committhe worldwide socialist and democratic movement. Their governments have also received encouragement nr ment of President Jimmy Carter to the defence of human rights direct belp from parties such as uatemala. the West German and Swedish has led to a position where the More importantly, the events Social Democrats, the Spanish, U.S. bas bad to balt economic

French or Italian Socialists and and military support for rulers the British Labour party. The with which it previously had world Christian Democratic been closely connected movement has helped Latin Despite recent U.S. agonisings

different from what it was in the Kissinger cra, when the Administration was actively seeking to bring down the Alleode government in Chile. for example, and install the pre-

sent military junta in power. In spite of many Right-wingers' fears that forces for social change in Latin America are fated automatically to fall under Soviet control and to succumb to Cuban leadership, the experience of the past five years saggests this is untrue. While maintaining relations

with Havana, governments in countries like Jamaica, Nica-ragua. Ecuador, Venezuela, Panama, the Dominican Republic and most recently El Salva-dor have so far shown no tendency to accept Soviet or Cuban models for their societics.

CENTRAL AMERICA: VITAL STATISTICS

per head (1976 \$) growth % 1970-78 El Salvador 3.1 Costa Rica 2.9 Guatamala 2.9 Honduras 3.4 Nicaragua 3.1 Panama 3.1 614 1,099 880 451 779

## Adoption of VAT urged as way to cut direct taxes

BY DAVID BUCHAN IN WASHINGTON

HEARINGS are to start next Committee, the month before the House of Senator Russell Long, the Representatives' Ways and Carter Administration has had Means Committee on a radical too many wearing clashes with new fiscal recipe for the U.S.—

a Eurupean-style value-added tax, on goods and services. The revenue would be used to finance major cuts in federal income and social security the second of the control of the control

for hasic items like food, drugs and housing — which he esti-mates would bring in \$130hn a year. That, in turn, would allow social security taxes in be cut by \$52lm in 1981, income tax by 85mm and corporate taxes

by \$2Sbn. Introduction of a form of national VAT would be a complex undertaking. Although Mr. but it speaks to American Ullman's proposal has drawn support from bis from his upposite number in the Senate Finance



Mr. Al Ullman, chairman of

man believes that over the long term VAT could change the U.S. from a nation of consumers Mr. Al Ullman, the committee's chairman, bas this week introduced a Bill proposing a 10 raising low productivity, making U.S. business internationally ing U.S. business internationally and except for a connectitive, and, except for a one-shot price increase, slowing indation

The Washington Post commented yesterday: "A serious and senior Democrat bas embraced a programme exactly parallel to that of Margaret Thatcher's Tory Government in have caught the Brilish disease, with its lacking investment,

The VAT plan has no chance nf speedy passage through Congress. Fut there is a growing mood an Capital Hill that U.S. business needs bigger tax breaks for investment, which proceeds from VAT might

Mr. William Miller, the Treasurv Secretary, warned a Senate committee on Monday that fiscal restraint was paramount in the anti-inflation sional proposals for faster business depreciation tax write-offs. Mr. Uliman said he would like his VAT plan to become law next year, but conceded that there would have to be a major change in the thinking of a lot of people. Much of the opposition is likely to come from liberals whn argue that a consumptinn tax like VAT hits the poorer hardest because they consume more of their income than the rich.

## TWA announces Airport Express.

# Now you can get a boarding pass without even going to the airport.

You only have to spendfive minutes at the airport to see how crowded it gets these days.

At certain times of the day you can see as many as 30 people queueing at every available check-in desk

But now TWA introduces Airport Express to cut these queues down to size.

When you book your trip with your travel agent you can now request your

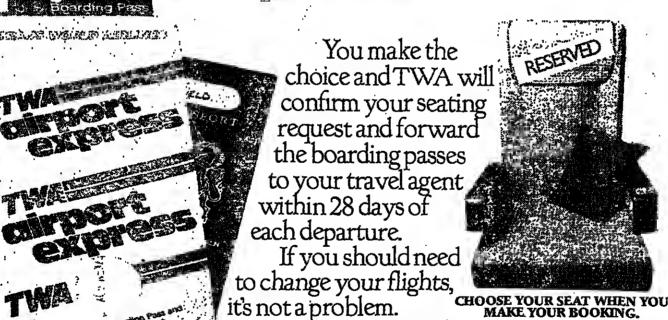
CUTS QUEUES DOWN TO SIZE. boarding passes and seat numbers in advance. Not only for your outwardflight but for all the TWA flights you have to make on a trip to the States-outward

connecting and return

ALL YOUR BOARDING ASSES BEFORE YOU GET TO THE AIRPORT. flights. So you don't have to queue for

them at the airport. All you have to do is drop your baggage at the Airport Express desk and you're on your way through to the plane, to the exact seat you asked for.

Smoking, non-smoking, aisle or window. ONE FAMILIAR AIRPORT SIGHT YOU'LL BE SEEING LESS OF.



TWA has 193 Ticket

Offices in the States where you can get the same Airport Express service.

On your way back from the States, at any of the 50 cities served by TWA, you can simply check in your baggage at the kerb-side.

A TWA representative will check your ticket, pick up your baggage and you can walk straight through the terminal to your plane without any queues to hold you up.

We think you'll like TWA's new Airport Express service.

Unless, of course, you're one of those people who enjoys queueing at airports.

You're going to like us

#### Canadians face bank rate storm

By Victor Mackie in Ottawa THE Bank of Canada's policy of raising interest rates is expected to be sharply criticised next Tuesday, when the Canadian Commons Finance Committee meets.

Both Opposition and Conservative MPs are expected to join in the condemnation of the bank and the Consertive Government for supporting its policy.

The Government's supparters recently beard Mr. Alvin Hawilton, a former member of the Mr. John Diefenbaker's Cahinet, make an impassioned speech against rising Interest rates. The backbenchers applanded him vignronsly.

Mr. Joe Clark, the Prime Minister, realises he is in tronbie on interest rates. He and others now in his Cabinet denonnced the former Liberal Government before the election for poshing op interest rates. But the Liberals, like the Conservatives, were simply going along with Mr. Gerald Bouey, the Bank of Canada's governor.

There is no doubt that Mr. Boney would resign rather than reverse his interest rate policy. A run on the doltar could be expected to follow. Faced with this predica-nent, the Government appears to have an alternative tn its support for the Bank of Canada. Added to the diffi-ties, is the fact that Mr. Bouey's term is due to end

na January 31.

Canadian finance officials hope be will be reappointed, but they recognise that the Government may wish to appoint its " own man," somenne more sympathetic to its approach to interest rates.

#### Venezuela denounces manoeuvres

LA PAZ-Recent U.S. military manoeuvres at Guantanamo naval hase in Cuba demonstrate that the U.S. can make dangerous errors in trying to evaluate real crises in the world, Sr. Jose Alberto Zam-brano, Venezuela's Foreign Minister, told the Organisation of American States yesterday

The remarks, made at the organisation's ninth Geoeral Assembly, were the strongest condemnation of the U.S. Marine amphibious landing at Guantanamo since President Fidel Castro of Cuba accused the U.S. earlier this month of

inventing a crisis."
The amphibious landing was in response to U.S. intelligence reports that a brigade of Soviet combat troops had beeo detected in Cuba. President Castro denied the report, saying there were nn more Soviet soldiers in Cuba now than in the early 1960s.

Sr. Zambrano, without referring directly to Cuba or to the Guantanamo manoeuvres, said: I cannot avoid referring to a situation that deeply worries Venezuela—the recent deploy-ment of North American forces in the Carlbbean.' He said the U.S. reaction wss

unfortunate because the exces sive demnnstration of force in a situation difficult to qualify as an authentic crisis undermines the credibility of the U.S., which is responsible for maintaining world peace, and can result in dangerous errors of evaluating possible future situations of true crisis." Sr. Zambrano prefaced the

sbarp denunciation of the U.S. action with a reminder that relations between Venezuela and the U.S. are "solid and cordial." He said the military exercise served to polarise countries in the Carlbbean.

## Shah flies to NY for medical treatment

NEW YORK—The Sbah of Iran, flown bere late on Monday from Mexico for medical treatment, underwent tests at a New York bospital vesterday amid conflicting reports about the seriousness of his condition.

A State Department spokesman said the Shah was in danger of his life, adding that be bad suffered "a significant and quite aerious deterioration of his health," but no details of his illness were given. he arrive
An official at New York Empress Hospital said that description

was an overstatement, however. One of the Shah's local staff in his villa near Mexico city said the Sbah had told them he wnuld return as soon as possible, possibly within two to

In New York, the Shah'a spokesman, Mr. Robert Armao, said: "The Sbah and members

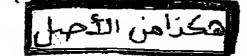
the outstanding medical care available in the U.S. will diagnose his allment and provide a cure."

The Shah left Iran January, just before the revolutionary takeover and first visited Egypt. Morocco and the Bahamas in his search for a safe haven.

The Shah, three days short of his 60th birthday, looked paic and had difficulty walking when he arrived last night with Farah

entourage. Dr. Henry Klssinger, former U.S. Secretary of State, was believed to have helped to

arrange the Shah's stay.
The New York Hospital
official said the Shah would be undergoing extensive tests and no details of his condition would be available for the acx



## Airbus production rise urged to beat competitors

M. HENRI ZIEGLER, former the French, West German and vestments in new production british aircraft industries, was facilities and techniques. Prench State-controlled aircraft producing only 2.5 aircraft per Boeing's high productivity and manufacturer, and "father" of the Airbus, has issued a sharp ruing that the Airbus could turn out to be a commercial "semi-failure" if production is not stepped up rapidly.

In a memorandum addressed to leading French industrialists. politicians and civil servants, M. Zicgler argues that, despite all the orders at present flowing in for the two versions of the Airbus, the wide-hodied European aircraft is facing increas-ing compention from U.S. air-

about five competing planes and Boeing as many as 28, M. Ziegler says. Production of the Airhus would be stepped up progressively, but the target of eight to ten per month would not he reached until 1985.

The U.S. - and, notably, Boeing—was now making what M. Ziegler described as "spectacular efforts" to capture the market in which Airbus bad, so far, scored such a big success,

The big sales and profits of While the European Airbus the U.S. companies enabled consortium, grouping mainly them to make considerable in

place before the peak year-end holiday season, but airline industry officials said permission

most beavily travelled trunk routes like Tokyo to Osaka—

averaging nearly 40 per cent over present fares. This would put the air fares above even first class train fares

between the major cities, and presumably encourage a return

to more use of the trains. Air

travel on the main rontes has increased considerably since the

producing only 2.5 aircraft per Boeing's high productivity and month, McDonnell-Douglas and its great flexibility gave the U.S. Lockheed were each making company a good chance of catch-

> If big efforts were not made immediately to step up investments, to modernise production and develop stretched and long-baul versions of the European airliner, It would not be able to maintain its present momentum

To date, 368 airhuses have been sold to 28 airlines (235 firm orders and 133 options), of which 261 are A300s (183 firm orders and 78 options) and 107 are A310s (52 firm orders and 5a options).

## Japan carriers seek fare boost

The airlines would like to have the fares increases in

THE MAJOR Japanese airlines before the end of the March of jet fuel, as well as higher costs resulting from heavier fiscal year.

The airlines would like to fuel taxes since last spring and fuel taxes since last spring and force. avoid heavy operating losses this year. At the same time, the Ministry of Transport has proposed a cut hack in the number of domestic flights this winter to save fuel.

The sairlines of the airlines of the sairlines of th

Representatives of the airlines
—led by Japan Air Lines (JAL),
All Nippon Airways, and Toa
Domestic—are seeking fare
increases averaging from 27 per
cent to 38 per cent to make up
for spiralling operating costs.

Withnut such increases, JAL est mates that losses this fiscal year on its comestic runs will reach Y20bn (£41,6m)

ANA the biggest domestic carrier, said it would lose about latest increases in Japan 115 5bn, and Toa figures on a National Railway fares. YSbn operating loss, even if the rate increases are approved

steeper airport and landing fees. Mr. Kinij Moriyama, the Minister of Transport, yesterday called on the airlines to reduce the number of flights (and when possible the size of aircraft used) from November to February in an attempt to save from 5 per cent to 10 per cent on fuel use over last year.

**Today's** 

#### UK to discuss U.S. steel import curb

THE FUTURE of the U.S. trigger price system of con-trol upon its steel imports will be raised with the U.S. Government and steel industry leaders by Mr. Michael Marsball, Paliamentary under secretary at Britain's Department of Industry, during a U.S. tour later this month.

The trigger price system, which is based upon the notional production costs of the most efficient Japanese steel plants, bas hit the U.S. export trade of British and Continental steel prinducers since it was introduced as a defensive measure to protect U.S. producers during the world steel recession twn

Mr. Marshall has no specific agenda of talks but steel is expected to feature pruminently during his visit. Mr. Marsball, who has respon-sibility for the steel industry at the Department of Industry, was formerly a steel industry

He is also expected to explain to U.S. contacts bnw the government is monitoring British Steel's financial performance with the intention nf bringing the corporation back into profit by next year.

MEXICO'S EXPORT EFFORT

## Oil sales still dominate

BY WILLIAM CHISLETT IN MEXICO CITY

country is still very much a

this year were \$1.4bn, or 36 per oil producing countries in the cent of total exports, compared world bave such an explosive with 24 per cent in the same population growth rate - 2.9 period last year. The manufact per cent a year and, hence, the tured goods share dropped in

by 128 per cent in the first balf will grow by 7 per cent this

period was \$1.3bn compared — primarily, manufactured and with \$985.7m in the 1978 first capital goods — are lagging half, but discounting oil exports the commercial deficit was unports of raw materials for \$2.8bn as against \$1.6bn, It would be unfair to use

these statistics as convincing proof that Mexico's dream of being more than an oil exporting country has been killed before it even got nff the ground. Oil is still the most marketable product in the world at the moment and Mexico is just a beginner. is just a beginner.

But it is fair to say that the difference between the goal of Mexican officials and the reality of the present situation is wide. And it will not be narrowed unless the private sector makes

MEXICO'S much vaunted desire still protected by high tariffs. to be more than an oil exporting in Mexico's case the need to export more than oil is a political as well as an economic Oil exports in the first balf of necessity, for few other major need to create labour intensive

the same period from 38 per industry.
ceot to 31 per cent.
Whereas oil exports increased the Mexican economy, which of this year, manufactured goods year, it is becoming more and rose by only 20 per cent. wore apparent that non-oil ose by only 20 per cent. more apparent that non-oil Mexico's trade deficit for that related sectors of the economy

production and machinery represented 32 per cent of total imports in the first half of this

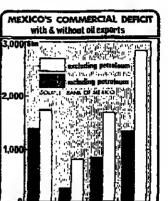
The more Mexico's oil production increases the more im-portant it will become for other make sure that the country does not become just an oil exporting country subject to the whims of world demand.

Pemex estimates that Mexico currently has enough oil, based on proven reserves of 45.8bn barrels, to last 60 years.

Clearly there is a lot more a more determined effort to be oil in Mexico than Pemex has more ontward-looking and export-orientated instead of being Jose Lopez Portillo is acutely

therefore be used to terms" create "renewable" resources. The Government is beginning to respond by giving an impulse to other sectors of the economy through tax incentives and reduced protectionism to force maoufacturers into becoming

more competitive. MEXICO'S COMMERCIAL DEFICIT with & without oil exports



Mexico's negotiating team receotly arrived in Geneva for talks on Mexico's entry into the General Agreement on Tariffs and Trade. This is a sensitive issue which is vehemently opposed by the country's Mamifacturing Industry Chamber, Mexico's desire to export more than oil is intimately

country.

The national industrial development plan envisages that the economy's dependence upon oil revenue will drop from 35 per cent of total exchange carnings in 1982 to 14 per cent in 1990 and that the share of manufactured goods will increase from 15 per cent to 20 per cent.

While Mexico's oil export revenue is forecast to increase at current prices from \$3.5bm this year in \$12.5bn in 1990, the value of manufactured gonds is forecast in the current plan to rise from \$2.3bn to

But these predictions are seen to be remains, for all prices are impredictable as as the position of world markets for Memor's non-oil products. The temptation will arise for

Mexico to make up the shortfull in non-oil sectors by boosting oil production.

Penex, for example, is understood to have letters of

interest to export an additional 2m barrels a day above its presom exports of 620,000 b/d, has for the manners the Government is pursuing a conservative policy

However, some encouragement can be taken from the feet that the Government is at last giving far more priority to improving the insdequate trans-part system "hattleneeks" which content to resr on its laurels aware that oil is a "non renew- linked to the GATT issue. It are holding back both expert with a captive national market, able resource." The petrodollars wants to join on the "right growth and delivery of imports. are holding back both expert

## The airlines are citing sharp increases both in the hasic price Egypt negotiating

BY ROGER MATTHEWS IN CAIRO

EGYPT IS negotiating a \$1.56hn (£693m) contract with Austrian and European companies to carry out a 600,000-unit housing project, according to reports

Egyptian news reports say that Dr. Mustapha Khalil, Egypt's Prime Minister, who has been in Vienna for the past five days, has completed the outline of a deal which will provide for the housing units to be hull in toe next three years. It is believed the project will go a long way towards solving the country's critical accommodation shortage.

If concluded, this would be the second deal involving Egypt and Austria in the past five weeks. In mid-September, Egypt signed a \$1.5bn contract with a consortium of Siemens West Germany, Siemens Austria and Thomson CSF of France for

Vienna, Dr. Khalil was bolding talks with Government officials, financiers and leading hanks yesterday in an effort to put together a package of long and medium - term

#### £693m housing deal munications network due to be completed in 1984. Both deals suggest the personal involvement of President Anwar Sadat and Chancellor Bruno Kreisky of Austria, who has played an important role during the past few years in Middle East diplomacy. It is also further evidence of President Sadat's attempt to put into operation the "Carter plan." a \$15bn-\$18bn scheme, which through foreign ald and concessionary tackle Egypt's main infrastruc-ture problems during the next The financing of the bousing scheme has still to be worked out. According to reports from

#### Recovery seen in British trade with Morocco

BY ANTHONY McDERMOTT

ket well worth the attention of British businessmen. This was the message of Mr. J. C. Kay, the British Consul-General in Casablanca, Morocco's main commercial centre, in an address given to the London Chamber of Commerce.

Britain, he said, bad lost out by reacting slowly when the Moroccan economy experienced a boom because of the rise in phosphate prices between the end of 1973 and 1976. This time, British businessmen sbould anticipate a recovery after two years and gain a foothold now. British trade with Morocco

MOROCCO, despite its current Morocco for the first eight economic problems, has a marmonths of this year were down. They totalled £47.5m, a drop of 17.4 per cent on exports worth £57.5m during the same

> are mainly capital equipment. British imports, mainly phosphates and cotton goods, have risen by 7.1 per cent from £28m Guarded optimism was base

on three factors. First, in 1981, a new five-year plan is to be started. Second, it has been calculated that one year later phosphate prices will begin to

Third, it is hoped that by has suffered, along with other then, the Western Sahara prob-competitors, from legislation lem, which is a major drain on introduced in the middle of Morocco's economy because of 1978 to restrict imports. As a defence expenditure, will be British exports to solved.

## Rank signs Israel pact

BY L. DANIEL IN TEL AVIY AND JOHN LLOYD IN LONDON

Israeli Electra company for the distribution of around 5,000 service uses the PAL system

over £1m a year to Rank.

Electra is one of Israel's leading companies in the field companies companies in the field companies number of its own products. ing to Electra director Mr. Israel's colour television ser- Yitzhak Lavie. a number of its own products.

The Rank Organisation has vice has only recently begun, signed a contract with the and the colour set market is service uses the PAL system The deal is expected to be worth cept France. Rank's consumer

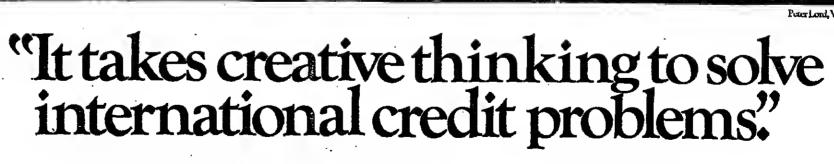
of electrical and electronic companies, and represents a number of overseas companies including Westinghouse, Frigidaire and Otis. It also makes market and for exports, according to the control of the

Hungary may get £222m

VIENNA — Hungary may soon take up an Austrian credit of \$500m (£222m) offered during a recent visit to Budapest by Herr Hannes Androsch, a Finance Minister added. One detail to be agreed Austrian Finance Minister.

The credit would be used to was the exact size of the credit.

Negotiators were discussing a but this could go which would export electricity \$500m figure, but this could go to Austria, the Austrian Finance higher.



As international finance becomes more complex it demands flair and imagination to solve individual corporate problems. Obviously a sound knowledge of not only your company, but your industry, is also necessary. This requires a really close working relationship with your Banker, which Chase is well able to provide through its system of Relationship Managers. Peter Lord is one of them and in effect he becomes your man in our Bank.

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## Exchange controls' quick end

abolished yesterday had been in administered the Act on a day had to be offered for sale at the that prompted the first steps operation since August 25, 1939, when they were introduced as a criteria were satisfied.

set of steps to relax the controls and said he was committed to a progressive dismantling."

Progressive or not, the dismantling has been at a break-neck speed compared with the rate at which the controls were made steadily tighter over the post-war years.

The wartime measures remained in force until October 1947 when they were super-seded by the Exchange Control

The basic aim of the Act wes to conserve the UK's gold and foreign currency resources and to assist the balance of psy-

The most fundamental distinction in the controls bss zero. British industry was been between direct investment allowed to invest abrosd at the

been permitted st the official exchange rate, but only with the use of currency in the investment currency market.

Direct investment in factories snd plant abroad at official in the investment currency merexchange rates has been allowed ket. This meant that s quarter

more study

TIGHTER CONTROLS on the

chemicals used in some aerosol

propellents are not warranted on existing scientific evidence,

according to an official report

The use of CFCs as aerosol

propellants as well as refriger-

ants was first questioned five years ago when it was dis-

covered that they might be eat-

ing away at the ozone layer in

the stratosphere, which protects

the earth from excessive ultra-

points out that if more ultra-

violet radiation reached the sur-

face of the earth there would

be a danger of an increase in

certain forms of skin cancer.

Current predictions suggested

the ozone layer could be reduced

by a maximum of between 11

and 16 per cent if GFCs con

tinue to be released into the

atmosphere et the present rate.

the true effects of CFCs on the

ozone layer are not yet known. It says: "Further scientific

work needs to be done to

increase knowledge of the effects of the release of CFCs

to the etmosphere. Covernment

research in this area will con-

tinue and the UK will be colleb-

orating in the programmes of

the sppropriate international

response by the UK aerosol propellant industry to Covern-

ment requests to cutback the

It is expected that over the

next three years the use of

CFCs in aerosol propellants will

drop to about 70 per cent of the amount used in 1976. This is in

line with European Economic Community moves to reduce the

use of CFCs hy around 30 per cent by the end of 1981.

Manufacturers of CFCs-

Imperial Chemical Industries is the biggest of the two UK pro-

ducers—have been asked to look for substitutes for the chemicals. But the report

states that at present there is no ready substitute for CFC 11

end CFC 12-the two types

Hydrocarbons can be used as

eerosol propellants for certain

applications but they have not

been found suitable for

dodorants, shaving creems and

other personal care products.

facturers' Association sald ves-

terday that the most promising

development was being done on mixtures of CFCs and

But moves towards the greater use of hydrocarbons would be costly. The report

estimates that new plant and

equipment for handling hydro-

carbons would cost the industry

in the UK at least £10m. Higher

prices seemed inevitable if

ICI. which greed that the re-

ports appraisal of CFCs and their impact was a very good

one. said it accepted that it

would have to reduce its pro-

duction of CFCs. But it was

still not convinced there was a

The report shows that in 1977, total UK oroduction of

CFCs was 43.000 tonnes, of

which over 50 per cent was manufactured by ICI, a Pollution Poper No. 15; Chiorofluorocarbons and Their

Effects on Stratospheric Ozone;

need for any action.

alternative CFCs were found.

which are most used.

hydrocarbons.

The report pays tribute to the

orgenisationa."

But the report stresses that

violet radiation.

of aerosol

dangers

published yesterdsy.

Call for

war measure.

One criterion was that the change in the investment curcular order of the change in the investment curcular order orde and services and should he tightening on portfolio investbalance of payments equal or exceeding the amount invested within s certain period. The 1976 decision to stop

trade was, in retrospect, the last

likely to produce benefits to the ment, the "super-criterion" was Introduced. This allowed part financing of a direct investment abroad at the official rate only The 1976 decision to stop if the pay-off to Britain in hanks financing third country foreign exchange was very rapid. Disenchantment with the con-

DAVID FREUD looks at exchange controls from their introduction until their abolition yesterday.

step of a trend of increasingly trols grew with their expansion. tougher controls since about At one stage, in 1971, inward 1981.

At one stage, in 1971, inward controls were introduced, in the

The 1961 controls on capital flows were fairly lax, the pound was stable, and the investment currency premium was close to abroad and portfolio investment official exchaoge rate. sbroad. In 1962 that freedom dis-Portfolio investment has not sppesred and from then on the

> became more vulnerable. Another major step was taken in 1965, when a 25 per cent surrender rule was introduced

sterling wes strong.

After this, the UK undertook to liberalise outward capital flows over a five year period as part of its ohligatons on joiniog the EEC. A start was made on direct investment. controls tightened as sterling However, the renwed weak-ness of the pound meant that

the loosening was reversed in 1974, with the permission of Nevertheless, it was the

form of blocking interest pay-

ments for foreign investors, In

addition to outward ones when

controls by the Bank of England, which of the proceeds of a foreign sale obligations of EEC membership hy-day basis, when certain current rate of exchange, which towards dismantling controls was lower than the rate of ex which took place in 1977 and

Among the changes were relaxation of the "superallowing pay-back criterion. from EEC investment in three years rather than 18 months abolition of the 25 per cent surrender rule; permision to borrow foreign currency to buy foreign currency securities.

The Government's first step was to abolish in the June Budget the "super-criterion entirely on investments under £5m, as well as easing outward investment in other ways.

In the next month, currency became available without limit at the official exchange rate for all outward direct investment. Also, UK residents were elowed to invest at the official

exchange rate in most securities

denominated in EEC-member currencies, with the exception of unit and investment trusts. This left the main remaining controls applying to portfolio investment of uside the EEC and financing third country trade by the banks. Yesterday's announcement spelled the end of these and all other restric-

## 'No big increase' expected in water rates next year

THERE SHOULD be drametic" increase in water and sewage charges next year, the National Water Council said

yesterday. The debate over the level of charges and the effects of the Covernment's instruction to the water industry to cut capital spending by an average of 11.2 per cent this year were discussed in the council's annual report for 1978-79 published yesterday.

But the report, prepared for the Department of the Environ-In his foreword to the report Sir Robert Marsball, the council's chairman, says that ment by a team of experts, calls for further study of the effects of chlorofluorocarhons-CFCsalthough there had been conon the ozone layer of the earth's siderable protest over increased water charges much of this was It warns that another review of the use of CFC's as aerosol because many cutomers had, for the first time, received a single propellants will be needed in bill direct from the water authorities for all water services two years' time and It may then show that further precautions or even regulations are re-

including sewerage. Sir Robert, who became chairman last October, points out that, averaged over the 10 water anthorities, the increase in tha cost of water services to households was only 10 per cent in real terms between 1974—when the industry was reorganised and last year.

Although he could not predict how much hills would rise next standards, let alone improve year Sir Rohert sald charges would increase with inflation. but he did not expect any above general inflation rates. Government but added that the ments in the service.



Freddle Mansfiel Sir Robert Marshall: "Real increase between 1974 and last year was only 10 per cent"

reduction over planned capital expenditure would make it more difficult to maintain

increase capital spending over the four years to 1982/83 hy above general inflation rates. about 15 per cent and Sir anthority shows the day-to-day Sir Robert said the industry Robert said although the cut-cost of running Wales's water would be able to achieve the back would not jeopardise vital spending cuts required by the services it would delay improve-

The industry would "do its utmost" to counter the effect of reduced capital programmes by improving efficiency but would not be able to cope with significant new commitments arising either from domestic legislation or from EEC

The water authorities invested £552m last year compared to £514m in the previous year. In real terms capital spending was only 58 per cent of the 1973-74 peak.

The water authorities recorded an aggregate operating surplus of £8m last year after charging supplementary depre-ciation of £51m and interest on internal funds and reserves of £59m. This was an "unexpectedly favourable out-turn," the council says, since the water authorities had hudgeted for a substantial deficit to exhaust balances.

National Woter Council. annual report and accounts 1978/79, £1.75.

Robin Reeves, Welsh Correspondent, writes: Rapidly rising costs could lead to a cut in capital improvements by the £3,551,000 have been made by Welsh Water Authority, Mr. the European Commission to The Industry had planned to lty's chairman, said in Cardiff

> The annual report of the services increased by one sixth to £105m in the year ending March 31.

## Breweries fear gas supply cuts

FEARS THAT many breweries

would lose their gas supplies for long periods this winter, and might be unable to obtain oil as an alternative, were expressed yesterday at an inter- rather than to bomes. national conference on energy saving in the brewing industry. Members of the Brewers' Society, which belped to organise the conference in Burton on Trent, said that the Government should try to ensure that if gas supplies were interrupted, alternative stocks of gas-oil would be available, even though they, too, might be scarce.

Fears of gas cuts were expressed by Mr. Tom Carroll, technical director of Artbur Guinness and Son. Although Guinness itself was not affected, he said that many brewers hed recently installed dual-purpose

gas-and-oil "Interruptible contracts" with British Cas. In the event of gas shortages, the Covernment Mr. John Moore, Parliament-

ary Under Secretary at the Energy Department, assured the industry that the Government took the fears seriously and would see bow it could help. He also indicated that there would be incresses in domestic gas charges in the next few months. Oil is still the main fuel

used by brewers, but gas now accounts for 30 per cent of fuel consumption. British Gas is thought to have told the industry that the present fiveyear contracts are to be replaced only by 12-month contracts, an dat a price four times

under higher than that st which the five-year contract started. Last winter, gss supplies to breweries were interrupted, but that was before the Iranian revolution

The conference, held as part of international energy conser-vation month, was also told that the UK brewing industry could cut its energy demand by up to one-third. A report ont yesterday showed that the industry, which uses the equivalent of 1m tonnes of coal a year, had already cut energy use by 10 per cent in the past two years, ball the time it bad set itselr. Further savings could now be made by beat recovery, better housekeeping, and more efficient management of its beat load.

## balance taxes on perks

**Cuts will** 

BY DAVID FREUD

The Covernment's strack on company perks would he balanced by cuts in the balanced by cuts in the general level of income-tax. Mr. Pcter Rees, Minister of State at the Treasury, said yesterday in London. He told an Institute of

Fiscal Studies' conference that there would be no precipitate ection on making the taxation of perks more realistic in spite of the Inland Revenue discussion document on the released in August.

Assessed

Whenever any changes were introduced there would be compensating reductions in income-tax.

Mr. Rees said: "No major move in this field will be taken which would result in individuals, particularly middle managers, being worse

off."
The Revenue document proposed that income tax on the benefit of company cars and petrol used by employees and directors should be assessed on a scale closer to the real level of benefit.

It also proposed that the earnings threshold under which employees were not assessed at all for the use of company cars, presently £8,300, should be eliminated.

Together with these pro-posals the Revenue included timing considerations that implied that some of the changes might be introduced in the next financial year. This possibility was strongly

attacked by the Confederation of British Industry and the Institute of Directors, and subsequently Sir Geoffrey Howe, the Chancellor, announced in effect that no changes would be introduced before 1981-82.

#### Closure grants for steel men

By Roy Hodson

TOTALLING GRANTS affected by the closure or slimming down of plants. The money will come from European Coal and Steel Community funds. It will help finance rationalisation schemes by the British Steel Corporation and private sector steelmakers.

The funds will provide a range of assistance including vocational training for a new job, early pensions, and help in moving to a different job. British Steel employees will be helped with £2,860,000 for

employees in the London and divisional offices who bave been affected by rationalisation, and £390,000 for 423 employees affected by the closure of the Irlam works rod and bar mill in Manchester. Aid to private sector employ-

ees includes £5,400 for 13 workers affected by the melting ahop closure at the William Oxley plant at Rotherham, £156,000 for 250 workers affected by the closure of a bar mill at Firth Brown, Sheffield, £95,000 for 158 workers affected by the closure of the steel department at Swift Levick and Sous, Sheffield, £2,000 for 10 people affected by the closure of the electric arc furnace at Wetsons, Sheffield, £24,000 for 37 employees affected by a cutback in steelmaking at Warner,

## **British Shipbuilders** becomes CBI member BY JOHN ELLIOTT, INDUSTRIAL EDITOR

BRITISH Shipbuilders is the ning membership. latest nationalised industry to join the Confederation of British Industry. Nearly 300 businesses have organisation in the past year.
Other recent new members include N. M. Rothschild and
Sons, the British Bankers Asso-

ciation, the Bradford and Bingley Building Society, Hoerhst UK, Renault UK, Anglesey Aluminium Metal and the Armitage Shanks Croup. British Shipbuilders is the last of the major nationalised industries to join the CBI, which eims to represent the interests of businesses in both the

Mr. Eric Varley, Industry Secretary, tried to discourage nationalised industries joining the CBL. At one stage they considered if it would be pos-

This arose when relationships between the CBI and the Government were at a low point joined the over issues such as planning agreements, worker directors

and pay policy enforcement.
However, both the Post Office Corporation and British Aerospace joined while Labour was in power and British Ship-builders now jnins other Industries such as railways, gas, electricity, steel and coal in

membership.

In the past three years the CBI bas been running widespread membership campaigns and has extended its base private and public sectors.

Under the last Labour dustry inth financial institutions,
Government ministers such es retailing and various profes-

It has gained nearly 1,200 members aince 1976. They have brought in nearly £1m in fresh subscriptions on top of an exist sible to issue directives ban- ing total of £5m to £6m.

But the estimated £3m cost of moving the CBI's headquarters to the Centre Point nffice block in Tuttenham Court Road, London, next summer has meant subscriptions are to be increased to mise on extra £350,000 next year and £150,000 in 1981.

An extraordinary general meeting next month will be asked to authorise a 6 per cent increase in subscriptions next year and a further 3 per cent in 1981 on top of regular increases which are geared to the retall price index. Small firms with less than 200 employees will be exempted.

The subscriptions are related to a company's pay bill and turoover.

The CBI has a total of nearly 15,000 companies in direct membership plus another 300,000 through trade and employers' associations.

### Dr O'Brien proposes economic solution for Northern Ireland

BY STEWART DALBY IN DUBLIN

DR. CONOR CRUISE O'BRIEN, could be internstionally and have wider social and political former Irish cabinet minister nad now editor-in-chief of the Observer newspaper, last night tion of private citizens could Dr. O'Brien said, proposed a novel economic then be set up to allocate its The suggestion initiative for Northern Ireland, funds.

Dr. O'Brien was giving the fourth Christopher Ewart-Biggs memorial lecture at University setting up a Northern Ireland fund, followed by a Northern Ireland Corporation, as a way of diminishing sectarian resent-Britisb ambassador to Ireland conscious of losing business and murdered outside Dublin in jobs, said Dr. O'Brien, who 1976.

Dr. O'Brien, "is the application in conditions adapted to Northern Ireland of the principles the problems of the economicof the Marshall and Monnet

lans." ment areas of Northern Ireland. possibilitie
Dr. O'Brien said the fund "But the solution would also necessary.

privstely financed. A Northern Ireland Development Corporadevelopment would

require the sssent of the British Covernment - which I cannot College, Oxford. He suggested think would be withheld-and it could benefit from an intimation of approval of the Irsih Industralists, financiers and ments. Mr. Ewart Biggs was the trade unionists were constantly British ambassador to Ireland conscious of losing business and

"What I have in mind," said interest therefore lay development and peace. The corporation would tackle

effects. It would tend to diminish sectarian resentments." The suggestion came after an

ssessment of attitudes in the Republic and Northern Ireland, as well as in Britain. Surveys had shown, he said, that the Protestant majority in Northern Ireland did not want to be part of a united Ireland. There was widespread sympathy for the IRA in the Republic, according to a controversial survey by Duhlin's Economic and Social Research Institute, And most

people in Britaln wanted British troops to be pulled out of The conflicting attitudes in the country had made a political initiative impossible, he emphasised. A switch to economic possibilities was therefore ally stagnant, high unemploy-

#### Shelter calls for easier home freehold puchase

THOUSANDS OF pensioners plexity of leasehold law is are terrified of losing owner- actively discouraging home im-ship of their homes because of provement-80,000 owner-occuexisting legislation. Shelter, the organisation for the homeless, sald yesterday. It called for reside tollet or hot water. Many

The law should be changed to make it easier for people to huy the freehold of their homes. Shelter said. A fixed-price formula should

be introduced to prevent buyers being charged more by solicitors and valuers than they pay for the freehold itself. The reforms should be included in the forthcoming Housing Bill.
In a letter to MPs, Shelter says: "A century ago vast areas

in Birmingham, Cardiff and other industrial cities were developed on 99-year leases. Now these leases are expiring, catapulting 11m owner-occupiers into the insecurity of a private tenancy.' The group said although the law did not technically prohibit any leaseholder from buying

the freehold of a property, it did allow those that "qualify' under legislation to buy freeholds at a much cheaper price. "Eor example, unqualified leaseholders in Sonth Wales have paid £6,500 to buy in a freehold, compared with an equivalent rate of £750 for a 'qualified' leaseholder." Under present legislation, leasebolders who have not been

living in the property for five of the past 10 years, or are on an extended lease are classed as "unqualified." That law

In one case, an elderly lady

In Newcastle, believing she was an owner-occupier, made improvements to ber house. In fact she was a leaseholder and later found herself a council tenant when the lease expired and was sold to the local coun-

Shelter quotes another case in which a Cardiff msn aged 86 bad to pay £250 in valuers' and solicitors' fees and only £190 to buy the freehold.

#### Builders must wear helmets SAFETY HELMETS should be

worn at all times on construction sites, according to a Health and Safety Commission discussion document published yesterday. The document names labourers, bricklayers, carpenters, scaffolders and steel erectors as the workers most at risk and cites meterials and objects falling as major causes of serious accidents on building

The document recommends that wearing safety belmets should be a condition of employ-ment for these workers and More than balf the industry's Csrgo Fleet. Middlesbrough, as "unqualified." That law design of belmets appropriate to energy is used by 22 of the UK's and £19,500-for 75 employees at should be obanged. Shelter said. different coperations in the 142 breweries.

"The uncertainty and comindustry."

#### **Miniatures** bring in large bids THE FIRST part of the Edward

Grosvenor Paine collection of portralt miniatures, removed from Primrose Plantation, Oxford, Mississippi, sold for The most surprising price was the £13,000 paid by a private

buyer for a miniature of Col. Parkburst, painted by Richard Cosway. The pre-sale estimate was only £4,000. The same buyer paid £11,000 for a miniature of a lady by Richard Crosse, A similar miniature by John Hoskins sold for £10,000. A miniature of James I by the celebrated Nicholas Hil-

lots sold well above forecast. Buyers premium, and VAT, of 10.8 per cent must be added to all prices. Christie's, South Kensington, sold fans for £14,368, with a top price of £820 for a French marriage fan of around 1760. At Ellel Crange, near Lan-

liard made £8.500. All the top

#### SALEROOM

BY ANTONY THORNCROFT

caster, Christie's completed the

disposal of the contents of the bonse, a perfect example of a Victorian residence, built just over a century sgo for a former Msyor of Liverpool, William

The top prize in the morning ession was the £2,200 for a Victorian dolls house with a simulated slate roof, dated 1889 and bearing the Preston family crest In the afternoon a marquetry long case clock by Jonathon Spencer of London sold for £2,750 and an early Victorian mahogany bookease made £2,400. The two-day sale totalled £368,727.

Sotheby's beld an English pottery and porcelain auction which totalled £97.410. Lowes toft ware fetched high prices Top price was the £2,700 from Winifred Williams for a white ground "honeysuckle group" snuffbox of around 1765. The same dealer paid £2,500 for a Lowestoft "Ann Hammond" mug

A Lowestoft birth tablet of 1782 realised £2,000—against forecast of around £400. A Staffordshire slipware dish by Samuel Malkin, brought into a Sotheby's discovery event at Durbam in July, went for £2,000.

CINEMAS

REON Curaon Street, W.1. 499 3737.

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\*TOSL Z DO (not SUM, 1.400, 5.20, 8.40.

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as trent cd 3 film. "Alexander" Walker.

SCHOOL Standard, SQUARE (830 51111

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advance at Box Other or by Bost.

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MOONRAKER (A), Sep. perfs. Sum-fr,

MOONRAKER (A), Sep. perfs. Sum-fr,

Weeklerds

## New lease plan for service stations

OPERATORS of England's 38 day welcomed plans for the sale will offer the sitea to operators of new leases inservice atations. announced by Mr. Norman Fowler, Transport Minister on Monday.

But they believe the success of the new policy, designed to encourage competition between operators, raise standards and cut State investment, can only be aswered if sites are let at what the Minister calls a "reasonable rent."

The scheme it is intended to trensform the services currently svallable to Britons 24 hours in 1977, it got a 9.1 per cent a day and 365 days a year in return on capital, while opera-their isolated and windswept tors achieved only 2.5 per cent. locations.

—Tbc service erea operators, commenting yesterday on the Government's plan to sell its interest in motorway service areas, outlined plans to streamline plans to streamline services which are unprofitable at present. The would also introduce new facilities, such as cinemas, banks, hairdressers and motels. The Covernment proposes to a new scheme to give operators' relax restrictions on the terms rent rebates, was shelved by the

of leases, thus overcoming the

Mr. Fowler, Trensport Minister, on new long leases. He will thus end a system of rental whereby the operators pald the lovernment e percentege on turnover.

Operators have persistently condemned this system. Mr. Peter Prior, chairman of the Bulmer Cider Croup, who headed the former government's committee of inquiry into motorway service areas last year, said the Government made too much profit from its leases

In 1977, the operators, on e total turnover of £100.7m in 38 stations in England, made £2.8m profit before interest and tax. The Covernment received £4.6m Mr. Prior suggested then that the Government should reduce rentals in order to enable

operators to make bigger profits

and so improve atandards. But

policy on spending cuts. calculated to allow for the

Government levy and are there- mises on their sites, it might fore bigh. If profits could be make service complexes more increased, staff levels could be attractive—and comptitive raised during peak periods. "At with perhaps small Italian, closer supervision of standards the moment, operators say they Chinese or Indian restsurants. cannot improve services because they don't make sufficient profits." a spokesman said. "If you do improve standards present rules, you only hand

old rental system, The negotiated on 50 year leases, has hodies, including the police. also inhibited operators, including the "big four"—Trust opportunities for th operators is Houses Forte, Granada, Rank consistent with the Governand Ross Foods—from providing ment's proposals to "abandon additional services, such as unnecessary restrictions" in the bsirdressing, on their sites.

as unnecessary restrictions in the leases. At present, restrictions

over more money to the Govern-

operators' objections to them, in line with general Government, we had let premises to outside consider suspending 24-hour future responsibility by grant-Rank said yesterday that a to pay the Covernment a pernew, more favourable system centage of that busicess's turn-could belp cut costs of motorway over. There have been no benefood as well as improve quality. At to be gained by increasing At present, food prices are volume and variety of services." If operators could sub-let pre-

> This, bowever, begs the interesting question of whether the Government will alter laws, which ban the sale of alcohol and increase business under the in service areas. Mr. Fowler is privately in favour of allowing operators to hold table licences. hut this would require very lengthy consultation with other This extension of business

Mr. Dennis Hearn, chairman specify what operators must or of the Motorway Service Area must not provide and sites are Operators' Committee of the subject to Covernment inspecindigent to Covernment inspection.

poor catering in many service operators, but few companies areas by keeping a hold over have got that much money to Prak said it would seriously them, it absolves them of all invest." British Fotels, Restaurants and tion,

operators, we would have hed catering facilities if the plans go ahead. Labour costs, both in in terms of wages and transporta- catering," he said. tion charges to these relatively isolated sites, are high. The Government wants to

abandon the prior committee's ability. But this is a poor-explan for inspections of the make service complexes more motorway restaurants. The prior committee said there should be by the Department of Transport The 38 motorway service areas through a new motorwsy service in England represent Govern-

> value for the consumer. This view is not shared by the new proposals will enone critic of catering in service courage new operators into the areas, Mr. Egan Ronay, pub ness. An existing licencee has lisher of the Egon Ronay Lucas to hulld cafeterias, repair work. Cuide to Hotels and Res- shops and lavatories, all of taurants.

> pected they would make stan- the last few years which dards worse, not better. "Instead of forcing the band said: "In theory, the new plans of those responsible for very could open up the number of

ing long leases, thereby cement gthe present low level of "The current excuse of the

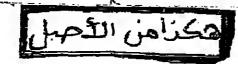
big caterers for soggy chips or dry sandwiches is lack of profitplanation. The operators bave also criticised the Government's

vagueness on the level of rents.

The 3g motorway service areas

ment investment of more than But the present Government £40m at today's prices and so helieves that competition rather the fixing of rents will be a than regulation, produces better matter of tough negotiations. However, it is unlikely that which represent a high capital Commenting on the Govern- investment. There have been ment's plans, he said he ex- a number of sites on offer in operators refused. As Rank

TUDIO 4: THE DEER HUNTER (X)



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#### **Colliery** spending of £20m approved

By John Lloyd

THE NATIONAL Coal Board has approved a £20m investment scheme for two pits in the Barnsley area of the Yorkshire coalfield, the country's most productive field. About £17m of the invest-

ment will go to Dodworth Colliery, where a six-metre diameter shaft will be sunk to reach further coal reserves. Dodworth, which is about 130 years old, produces 540.000 connes annually. The investment is expected to raise production to about 600,000 tonnes by law

The rest of the capital will be spent at the 75-year-old Dearne Valley Colliery, which produces about 300,000 tonnes of coal a

ventilation shaft will be sunk for the working of future reserves. Wark is expected to be completed by 1981.

#### **Appointment** for Sir Ashley

SIR ASHLEY Ponsonby, MC. tenant of Oxfordshire in succession to Sir John Thomson, KBE.

## UK shipbuilders given more freedom to bid

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

try has been given increased freedom from scrutiny, by the European Commission in Brussels, when bidding for orders against companies from the rest of the world.

This follows the commission's approval of an allocation of £120m spread over two years for an intervention fund to subsidise UK shipbuilding tenders following the industry's restructuring plan agreed by the Government in July. Up to 30 per cent of the cost

of a ship has been available as or a stilp in the past. But the detailed vetting of the subsidy for each order that has been involved in London and Brussels has slowed British Shipbuilders' ability to react quickly in competition with overseas yards.
The subsidy maximum, in all but the most exceptional cases, is now to be 25 per ceot because the EEC's Fourth Directive on competition policy states that

such aid schemes should be progressively reduced. But she EEC has agreed that aid applications up to 25 per DL, managing director of cent need not go to Brussels Schroder, Wag2 and Co. Ltd., for approval unless Britain is in has been appointed Lord-Lien competition with numer EEC

The £120m is backdated to TD, who will retire on Decemi- July and an order anonunced Racal's work in international gramme ber 31.

July and an order anonunced Racal's work in international gramme yesterday by BP for two rankers public relations by organising a Arabia.

BRITAIN'S shipbuilding inclus- to be built by British Ship- within EEC competition policy try has been given increased builders is one of the first to be rules, in Germany, Ireland and processed under the

> The Industry Department. which administers the fund, has £65m to spend by July and a further £55m to July 1981, although the rules for 1981 may be affected by a further EEC directive on competition policy.

The intervention fund was originally introduced in 1977 to belp UK yards compete with foreign yards, mainly in the Far East, bridging the gap between competitive prices and UK costs. But only £77m of £150m allocated up to the middle of this year has been taken up by British Ship-builders because even with the belip of the fund, UK yards have not been able to obtain sufficient orders.

Similar funds also operate, next year.

#### Government announcements in The Government is also to press the European Commission to speed its deliberations on a

builders'

France. Schemes are also being

arrangements

announced yesterday in the

Commons and are the first of

three initiatives affecting the

industry.

The next will be a Shipbuild-

ing Bill to be published today which will double British Ship-

borrowing powers and will extend aid under the 1972

Industry Act to cover ship con-

version work, in line with

scrap and build" scheme so

that increased aid can be allocated to UK shipyards early

existing

The UK's new intervention

prepared in France and Italy.

Public relations prize debut RACAL ELECTRONICS is the series of exhibitions that started first winner of a new Sword of in 1965. A certificate of merit is to be Excellence, donated by Wilkinson Match and awarded by the Group as rumer-up for its Institute of Public Relations, for public health education proin Riyadh, Saudi

#### Plans for standard teaching

By Michael Dixon. Education Correspondent

CONCENTRATED effort to lave English, mathematics, a science and a foreign language taught to all pupils in secondary Government in the new year.

Consultations with local authorities, teachers' unions and other interested groups will follow the publication of 2 survey showing that the treatment of basic subjects varies widely in the 5,000 state secondary schools.

Although most schools claim to cover English, maths, science and another language in their curriculum, Education Ministers are keen to establish a more standard approach.

An agreed definition of what should constitute the core curriculum will be a major aim of the consultations.

Central Government bas no egal power to direct schools to teach particular subjects, apart i rom some religious education. from some religious education.

Education Ministers have no lotention of taking power to impose the core curriculum. Their plan, like that of the previous government, is to establish the core by persuasion even though the National Union of Technore is approach to it. of Teachers is opposed to it.

Legislation is a possibility, however, if agreement is not reached fairly quickly.

## Benefits body urges big re-employment scheme

subsidies.

THE Supplementary Benefits is towards more prolonged Government to reconsider its policies on job creation and training schemes in the light of the expected increase in unemployment.

It has appealed for a big "reemployment programme."

The commission, in its report

on last year, published yesterday, indicates the effects of unemployment on the supplementary benefits scheme.

The report urges that the Government's policy of cutting public expenditure on many present programmes for reducing unemployment should be reversed as soon as possible. It argues that that could be achieved with little additional

The commission says that the proportion of unemployed need-ing and receiving supplementary benefit has decreased to about 45 per cent, or almost 600,000 out of the total 1,331,000 unemployed in November, 1978. However, the unemployed now form the second largest group of claimants, after pen-sioners, accounting for 20 per cent of those receiving supple-mentary benefit. In comparison, in 1966 the unemployed accounted for only 7 per cent of the commission's "custo-

Although the general trend

says that the present rates of bas urged the unemployment, many of the benefit for the unemployed repunemployed find and lose jobs resent an "unjustifiable dis-crimination" against the Jobfrequently. Last year, 65 per cent of the 5.6m claims made for supplementary benefit were as less.

result of unemployemnt. It urges that the higher long.
The commission says it wants term rate of benefit should be to see policies to reduce unem- paid to the unemployed on the same basis as for other ployment "so that those who are claimaots. That might cost an capable of work do not have to resort to benefit."

extra £90m a year. Other sections of the report Although in the long term the level of unemployment depends deal with poverty. The commis-sion says present levels of supon a wide range of factors, the plementary benefit are still too commission says in the short term jobs can be created by low to keep many of the people who depend on the scheme out opportunities and employment

of poverty. priority must be to give more The commission says that belp to families with children. savings on benefits and other factors mean the net cost of increased, as should supplemen tary benefit rates for those with scheme is far less than the

children. The report repeats the call for gramme would not cost much a simplified benefits scheme with more than the money now spent fewer discretionary payments

social security contributions which would be paid by claimants once they get back in available to claimants.

Report of the Supplementary

Benefits Commission for the year ended December 31, 1978 (HMSO, 24).

#### Consider buying foreign technology-CBI

creating a job under a sp

"A major re-employment pro-

more than the money now spent on benefits, when the taxes and

work are taken into account,

notional gross cost.

the report says.

BRITISH COMPANIES should.

At the opening of the international husiness show in Bir-mingham Sir John said: "There is no reason for fighting shy of new technology from abroad where appropriate. We shall need to do this and improve upon it in the process.

"Bear in mind that the Japanese dn not resist the import of technology, in fact they award prizes for the best

Sir John said the introduc-tion of new technology in business and industry was particularly difficult when unemployment was already high, but there were other factors, apart from microelectronics, which could have as great ao effect

The state of world trade and energy were likely to contribute more than any other factor to domestic rates of ucemploy-

In order to win a fair share buy new technology from of new jobs Britain would have abroad to create new market to compete successfully. Unopportunities over here. Sir employment could be reduced John Greenborough, president by shorter working bours, of the Confederation of British longer holidays and earlier

> He said: "If we are to remain competitive, and if we use to full advantage the science and technology which are open to us, we can earn in the market place the right to work and nther forms of improved condi-

tions of work. "What we cannot dn is to take them in advance as part of some theoretical productivity deal with the benefits delivered now not later."

He warned that this would make Britain uncompetitive and postpone the day when the country could afford the henefits of technology.

Finally Sir John said that Britain had no choice but to compete hard for a share of the new jobs and the new and ex-

But if industry approached the new markets with an atti-tude of glum resignation it would get what it deserved.

#### Quality control plan for instrumentation systems

A PROPOSAL to rationalise to minor, medium or major and upgrade the assessment defects. The assessor should of British-made instrumentation discuss his findings with the systems has been made by the tion sector working party of the

The proposal. which might be extended to cover other products. is particularly aimed at aiding the exports of high quality instrumentation and control equipment.

The plans contained in a NEDO report published yesterinclude, establishing an Instrumentation Quality Assessment Board, with a full-time staff of three and an annual budget of around £80,000. The scheme is to ensure that adequate quality controls are instituted by all companies in

the industry so their products meet published specifications and are reliable in use.

When established, a list of assessed manufacturers. together with their product cap-ability will be published. Users will be expected to restrict

manufacturers.' The assessment will be based on two British standards—BS 5750 and BS 5781. the fundamental standards for the control and instrumentation

manufacturer, who would be quality if the defects discovered are minor.
The automation and instru-

mentation sector working party is one of four in the electronics sector which have been told by the NEDO their work must improve if they are in continue. Quality Assessment Scheme

for the Instrumentation Indus-tru: NEDO, Millbank Tower, Millbank. London SWIP 40X.

#### Isle of Man takes control of VAI

THE HOUSE of Keys, the lowe bouse of the Manx Parliamen yesterday gave a second read-ing, without opposition, to the the Isle of Man control of its customs and excise services

from April I.

Proposing the second reading
Mr. Percy Radeliffe, finance board chairman, said that the change from the existing com-mun purse agreement would give the Manx Government con trol over VAT, something for Assessment approvals of the tor of the Manx economy had been pressing.





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# HEARTOFPOLYESTER AREOUR SHIPS...



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BP chemicals-making it all happen

12 Carried 1 1 Car

plan' say

**AUEW** 

leaders

By Philip Bassett, Labour Staff

BL's second largest union

yesterday recommended its

members in vote in favour of Sir Michael Edwardes' ration-

alisation plans in the ballot, despite the possible loss of more than 25,000 jnbs and the part or total closure of

The recommendation of the

executive of the Amalgamated

Union of Engineering Workers is in contrast to feeling within the company's

## Vauxhall allegations stopped by judge

BY PHILLIP BASSETT, LABOUR STAFF

VAUXHALL MOTORS yesterday obtained a High Court last week.
injunction against the Transport The leaflets suggested that the Union officials had refused to and General Workers' Union convenor and others at its strike tactured at the company's Luton was increased, but after the bound Ellesmere Port plant to and Dunstable paints during the intervention of national officers prevent further allegations that strike was below standard cars produced at other plants because of the non-availability during the dispute were of low of companents from Merseyside.

The injunction, granted after the Cavaliers and Carltons made an unopposed 10-minute bearing by Judge Edgar Fay, QC, was strike were np to standard and str by Judge Edgar Fay, QC, was made against Mr. John Farrell, TGWU convenor at Ellesmere Port and other union members The strike is in its

eighth week. The injunction restrains Mr. Farell and others from publicly stating that the company was using "scrap, suspect or recycled material" in vehicle restricting their activities.

The moderately led AUEW at production. It is effective nutil • Officials of the Amalgamated the plant is thought unlikely.

Vauxhall said yesterday that used no parts normally made in

Picketing seemed to be lifted at Merseyside dealers yesterday after warnings that orders for contempt of court would be applied for if pickets disobeyed

court order and it at the plant agreed yesterday the distribution of to hold a mass meeting of their picketed 5,000 members on Monday to at Ellesmere Port.

cent pay package.
Union officials had refused to quality of Vauxhall care mann- call a meeting until the offer intervention of national officers and a company warning that It was considering ballotiog the workforce on the offer, the

the membership.
AUEW officials Dunstable plant whose members are the only workers outside Ellesmere Port not to have confirmed their decision not to hold a mass meeting until all laid-off workers were back at work despite the company's recall of 4,000 workers on Mon-

a full bearing of the case or a Union of Engineering Workers though, to be a major obstacle to complete acceptance of the offer sonce there is a settlement

feeling within the company's largest union, the Transport and General Workers', which has asked members to campaign against the plan.

Yesterday's AUEW decision, while in line with the official policy of the Confederation of Shipbuilding and Engineering Unions, is also opposed to the stance of one of its comthe stance of one of its component members, the Technical and Supervisory Section, which rejects the

plans.
The AUEW has already indicated its support for the BL plan, and Mr. Terry Duffy, AUEW president, would not be drawn yesterday on the decisions of the TGWU and TASS.

Mr. Duffy ead the executive

felt it had no alternative but to recommend support for the plan. A "yes" vote in the ballot, which is due to he finished by Monday, was in the long-term interest of all BL workers and these in industries and services which

depended on the company.

The alternative was the possible loss of the major British motor manufacturer. "We must give leadership, and when people have a ballot they look for a recommendation."

## Back BL Merchant Navy unions reject 13.5% offer

BY NICK GARNETT, LABOUR STAFF

UNION NEGOTIATORS rapresenting Merchant Navy officers rejected yesterday a pay and conditions after which shipping companies estimate would add about 15 per cent to the industry's wages bill

present minimum entitlement. asked us particularly in protect halidays was far shart of what The General Council of British the value of last year's settle-Shipping said this would add a ment. We've done that with mr accept industry's wage costs.

The pay offer, to be made today to the National Union of tiations, said Mr. Turnbull, was Seamen, will almost certainly be the profitability of shipping broadly similar.

broadly similar.

Employers attempted to use the tax reductions, brought in earlier this year, to justify the size of the proposals to the 41,000 Merchant Navy officers.

Size of the proposals to the 41,000 Merchant Navy officers. Merchant Navy and Airline about £5,000 to £17,000 a year. 41,000 Merchant Navy differences association, the Amal-Average account, the general council said gamated Union of Engineering is £11,2 the offer matched the present Workers, the Mercantile Marine £6,980.

further 2 per cent to the offer and given some extra leave industry's wage costs.

companies and their ability to

Narrow vote will mean fresh talks

ing 25 per cent—which they argue is a mure realistic figure industry's wages bill.

The offer involved in increase of 13.5 per cent on all salaries and five days extra leave on the systematics.

In argue is a more realistic figure for protecting the value of the employers side, said after last settlement—told employers and that the offer on money and they would be prepared to

Mr. Eric Nevln, general secretary of the MNAOA, said the offer on holidays would pro-bably only affect a quarter of officers in the four unions because the majority already had

is £11,980 and for second officers

years. Turnover of £49.2m and profits of £3.9m in 1977 to 1978

were increased to £67.4m and

Employment has increased by

500 in the last year. The management has warned that the

strike puts in jeopardy the export led growth planned by the company. This growth could lead to a further 2,000 jobs in

The strike has halted all pro

duction of bardware but about

4,000 employees, including tech-

the next tour or five years.

£6.2m respectively in 1978-79.

#### pany's managing director, to his company managers, expressing dissatisfaction with the national negotiating procedure under the EEF umbreila, was publicised at the end of last month. It came at the peak of the engineering workers' series of two-day strikes.

**GEC** set

to leave

BY JOHN LLOYD

Federation.

federation

THE General Electric Com-pany will probably decide next month whether to pull

its component companies out of the Engineering Employers

if it does leave the EEF— as seems likely—it will also

decide nn a new form of

company wage bargaining to

replace its present adherence to nationally-negotiated wage

A memorandum from Sir Arnold Weinstock, the com-

Since the end of the dispute carly this month the company bas been sounding out its managers and unions on an alternative system of negotia-

Sir Arnold made it clear in a recent interview that be favoured such a system. "We must have the employer and the manager in every unit working together. Not across the whole site, but these two elements in each and every

A number of the nnions, while agreeing that GEC should leave the EEF, tavour a two-tier system of bargaining, where basic rates are set across the company with local conditions, overtime and houses agreed plant by

These unions believe that plant-by-plant bargaining is impractical and could cause industrial trouble because of the potentially wide differ-

## ITV returns at 5.45 tonight

BY GARETH GRIFFITHS, LABOUR STAFF

INDEPENDENT Television will be back on the air at 5.45 this afternoon following some doubt and confusion yesterday over the resumption of national

uncertainty" last night whether sonthern Television in second day to try to solve local would resume broadcasting today. The 300 strong National Association of Theatrical, Television and Kine Employees want payment for being locked out. The National Union of Journalists at Southern bave won a backdated payment from September 10.

Mr. Jack Wilson, NATTKE's

turn to work today and the company said the studios would be open. Southern, bnwever, said it did not know if it would be

600 members of NATTKE, the Electrical and Plumbing Trades Union and the Association of Cinematograph, Television and Allied Technicians. An agree-

general secretary, has instructed of what they call "a strong line bis members at Southern to rebake audiences who bave been watching the BBC. Tonight's programmes include two news programmes, the Muppets show, There was "an element of on the air tonight. Coronation Street, a drama

Talks at ATV in Birmingham series, Quatermass, and the film

> The three unions formally accepted the ITV offer yesterday and the companies expect normal working trom 9 a.m. today. ITV said there chuld be a "few post-settlement difficulties" ment bas been reached post- but they would not affect the poning a final settlement nntil resumption. All the companies broadcasting had been resumed, except for Channel in Jersey, ITV executives plan a lanneb bave been off the air for 75 days.

in bid to end strike at Ferranti BY RAY PERMAN, SCOTTISH CORRESPONDENT

FRESH TALKS to try to settle tion will be called to try to and bas grown quickly in recent the 11-week strike at Ferranti's reach a compromise. Scottish factories are likely after a decision yesterday by tor and general manager of only 36 votes out of nearly 2,000 Ferranti in Scotland, said be workers to continue the action. believed it was a very bopeful After the meeting, shap sign that so many men wanted stewards of the seven unions to return to work. He was lookinvolved said they were ing forward with "cautious disappointed at the narrow optimism" to an early resumpmargin supporting their rejec-tion of the 171 per cent final offer made by the management

at talks in London last week. likely that a new meeting be-tween national officials and the

Mr. Donald McCallum, direc-

tion of negotiations.

The Ferranti Scottish Group, which has main plants at Edinburgh and Dalkeith, specialises The voting was 999 tn 963. in radar navigation aids and Unions are claiming 25 per lasers, mainly for defence uses cent pay increases but it is About 35 per cent of its nutput is exported

The group is one of the most Engineering Employers Federa successful parts of the company

> THE Advisory, Conciliation and Arbitration Service intervened yesterday in the dispute at the Royal London Homeo-

> pathic Hespital, Bloomsbury, which nuion officials have said could spread to other hos-pitals in the Camden and

ACAS officials met the bos-pital management and the National Union of Public Employees yesterday. management had sacked 14 porters on Manday when they refused to return to. work. The dispute started last Thursday following a row over a late-night party. Porters at the Great Ormond Street children's bos-

pital walked out yesterday in support of the dismissed porters at the Royal London. The hospital said the disrup-

A mass meeting of ancillary workers at Great Ormond Street and the Queen Elizabeth Hospital for sick children at Hackney is planned tor Friday. Mr. Conway Xavier, a NUPE branch official, said an all-out strike would be recom-

tion was minimal.

**ACAS** in

hospital

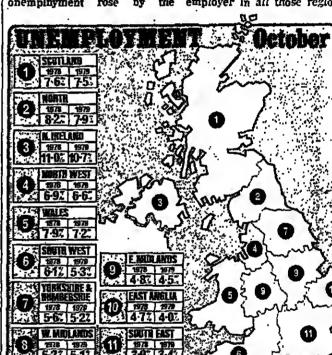
talks

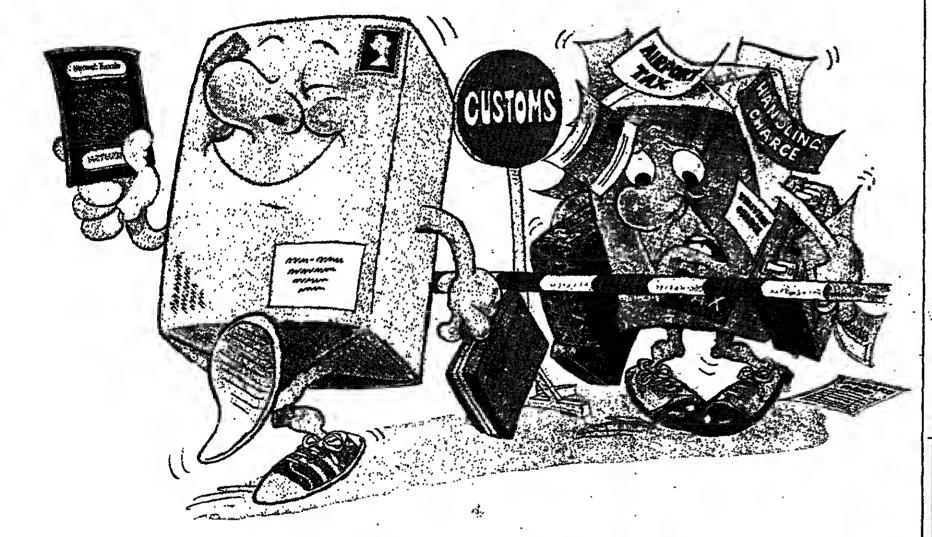
nical and scientific staff, have remained at work carrying out research and development for defence contracts.

again in the past few months as

Jobs imbalance widens REGIONAL DIFFERENCES in largest percentage in the east unemployment bave widened and west Midlands and in northwest England. That might be the national total has started in explained partly by the rise.

engineering dispute, since that In the month to mid-October industry is an important onemplayment rose by the employer in all those regions.





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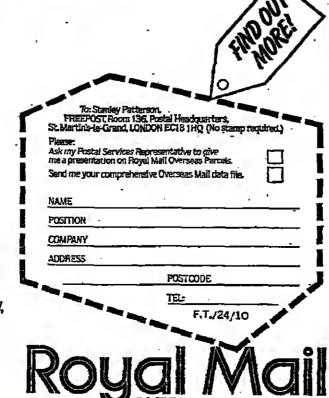
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And what's the best way of arranging this from your point of view? It must be the Victoria Wine Incentive Scheme, based on vouchers which may be exchanged at any of over 900 Victoria Wine shops throughout Britain.

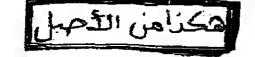
You'll find our incentive scheme is simplicity itself to administer. You have no worries about breakages. storage costs or large bills for packing and postage.

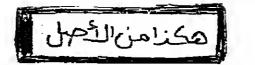
The vouchers can be for a specific product from our range of wines and spirits. Or they can be for a fixed amount of £1 upwards for spending on any of our competitively priced wines, spirits, beers, cigarettes and cigars.

For further information please contact Austen McRoberts on Woking (04862) 5066 or write to him at Victoria Wine Co. Ltd., Brook House. Chertsey Road, Woking, Surrey.



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warned that the Government

will now bave to rely solely on keeping Minimum Lending Rate at a high level to main-

tain the value of the pouod.

But these qualms were dis-missed by Sir Geoffrey Howe,

the Chancellor, who acgued

that it made sense to acquire

Repeatedly, he emphasised

that the Government saw it as a

long-overdue extension of per-sonal freedom and that this was

one of the main ceasons foc

He stressed that the best way

to attract funds for domestic

Thatcher

stands by

**EEC law** 

THE GOVERNMENT would

not tako any unilateral action

tion to the EEC Budget. Mrs.

Margaret Thatcher told the

Commons yesterday.

"We must observe the law," sho said. "I think that would

The Prime Minister's atti-

tude, following the tough stance she had adopted recently on the Issue, brought

Mr. Dennis Canavan (Lab, Sticling W) said that be had

fully supported her refusal ta

the Common Market while

Government spending on

bonsing, health and educatian

was heing cut. He ucged the Prime

Minister ta take unilateral action if necessary to cut Britain's EEC Budget contri-

Mrs. Thatcher replied that

the Government wauld try ta

negntiate a sanction at the

Duhlin summit next mouth.

Mr. Ron Leighton (Lab., Newbam NE) said that United

Kingdom law was made at

Westminster and the Govern-

Mrs. Thatcher retorted amid

Mr. Jack Straw (Lab., Black-

cumstances, no matter how

obdurate the French or other

members, in which you will

bring forward amendments ta

European Communities

"I do not make threats to

break the rule of law, either oational or international."

A NEW Industry Bill-designed

Enterprise Board-was yestec-

sector in the Government's

It gives statutory force to

factory programme.

Mrs. Thatcher replied.

Labour jeers.

"Sister Bountifut" to

protests from Labour MPs.

reduce Britain's contribu-

. By Philip Rawstorne

be outside the law."

lifting the controls.

## Howe lifts exchange controls

THE CHANCELLOR of the Exchequec. Sir Geoffrey Howe (left), announced yesterday that all remaining exchange controls - except those needed for Rhodesiawould be lifted from midnight

He told the Commons: With permission, Mr. speaker, I wish to make a slatement about exchange

"In my Budget statement on June 12 I announced our intention progressively to dismantle these controls. I made numbec of relaxations at that time and again on July 18, when I informed the House

of the first major move towards liberalising antward portfolio investment. "I have now decided to

remore all the remaining exchange control restrictions from midnight lonight, apart from those still needed, I bope not for long, in relation to Rhodesia.

"With that single excep-

tion, there will from tomorrow be full freedom to buy, cetain and use foreign currency for travel, gifts and loans to nonresidents, buying property overseas and investment in all foreign corrency securities. Partfolio investment will wholly freed and the need no longer he deposited Authorised Depositary. Foreign currency accounts can be held bece or abroad. Passport marking far teavel funds can now be ahalisbed.

"The necessary Treasury Orders are being laid this

afternoon.
"The removat of controls will lead to public expenditure savings of about £14 m a year, which represents the current cost of about 750 staff at present employed on exchange control work at the Bank of England and about 25 at the

recognise that this sudden

"I would like to thank all, those wha have had the lask of administering the controls—not only in the Treasury, the Bank of England and Customs and Excise hut also those in the private sector co-operation has enabled the system to wock.

"Under acrangements announced in this House in 1971, exchange control has been used to prevent United Kingdom tax incentives approach to the locality abstract of acrangements porting the leasing abroad of

foreign equipment.
"I propose to intenduce in the 1980 Finance Bill provisions, which will take effect from toolorrow, to continue to

prevent this. Further details on this mattee are available in the Vote Office.

"From tomorrow, we shall be meeting in full our Com-munity obligations on the freedom of capital movements.

"Exchange controls have been with us in one form ac another for just aver forty years. They have naw notlived their usefulness. The essential condition for outlitaining conidence in our cucrency is a Government determined to maintain the right mauetary and fiscal policies. That we shall do.

#### **Treasury** explains effects of decision

THE TREASURY yestecday issued a statement explaining the results of Sir Geoffrey's to lift exchange

controls.
The statement said: The Chancellor announced in his Budget speech on June 12 a number of exchange control relaxations and said that be

intended to take further steps

in the progressive dismantling of the controls. "The measures announced on June 12 mainly concerned the financing of outward direct investment, including the repayment of outstanding foreign currency borrowing, and the levels of personal allowances le.g. emigration) which were

substantially increased.
"Further measures were an-"Further measures were announced on July 18, among them the decision to allow comthem the decision to allow comthe apparatus of control. plete freedom in the financing of outward direct investment. The first significant steps in the liberalisation of outward portfolio investment were also

"Official exchange was made available for pucchase of most securities denominated and payable solely in EEC currencles and of foreign currency securities issued by international organisations of which the UK is a member.

'In addition, provision was made to allow certain foceign currency horrowing, taken to finance outward portfolio invest-ment, to be repaid with official

"The effect of today's (Tues-day's) announcement is that, except in celation to Rhodesla, all the remaining controls are lifted from tomorrow (today). The main controls helng re-moved (to some of which the Chancellor referred) are those

Buying and retaining of foreign currency, whether in the United Kingdom or abroad. Outward portfolio invest-

• Sterling lending to non-

residents. "There will be complete freedom to retain and use foreign currency foc any purpose. For example, foreign currency bank accounts may be kept, here oc abroad. Applications need no longer be made to the Bank of England for travel funds, as in the absence of other controls this check on the genuineness of travel needs is unnecessary. Similarly, pasport-marking for travel funds is abolished.

As far as investment is concerned, it will no longer be necessary to apply for permission to make inward out outward direct investments. For outward portfolio investment, inveatment cuccency will rease to exist, and the requirement to deposit foccign currency securities with an authorised deposi-

tary is also abolished.

The monitoring procedures on current payments abroad and receipts for exports are being withdrawn. Exchange controls by customs officers at the frontier ace being ended. Gold bullion may now, like gold coins since the Budget, bo freely bought and sold.

ment had adequate powers to make unilateral changes. "The law of the UK is to abaerve edicts of the EEC." "The Bank of England is issuing an Exchange Control Notice accordingly." Rhodesia: "The exchango controls necessary to maintain economic sanctions in relation burn) demanded: "Are you saying that there are no cir-

to Rhodesia are being retained. Some technical alterations to the former exchange control rules on Rhodesia are needed in order to reflect the removal of all other exchange controls; but the effect is to maintain the special rules which apply to Rhodesia on essentially the same basis as at present.

The Bank of England is re-issuing its Exchange Control Notice (EC79) on Rhodesia: and this opportunity has been arrangements and to raise, to take account of inflation, the limits on the size of payments which may with the prior mainly to modify the functions ment and compulsory informa-permission of the Bank of and powers of the National tion powers. England be made to residents of Phodesia for humanitarian or day introduced to Parliament Government's policy of reducing family reasons. These limits by Slc Keith Joseph, Secretary public expenditure and reduc-

were lest raised in 1972 of State for Industry. ing the size of the public sector international Ohligations: The Bill also gives the of industry. The NEB and the Today's announcement means English Industrial Estates Cor-Scottish and Welsh Develop-International Ohligations: that the UK is now meeting in full her obligations on capital movements under the EÉC Treaty, and the Commission bas been informed. We are also now meeting our obligations under the OECD Code on

Capital Movements." of the effect can be predicted at all precisely. It will depend to a large extent on confidence in

reductions in the scope of the Capital Movements.

Effect on balance of paymeols: regional development graots wards the NEB was outlined to assisted areas. The Government of the size nor the timing school which have already been Parliament on July 19. The Bill ment's objective, however, is to put into effect, and provides for Government guacantees where measures needed to fulfit that which all the financial needs of tiabilities are in foreign curren-

Healey condemns 'reckless' action BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT THE GOVERNMENT'S decision mined to maintain the right to abolish the remaining ex-change controls was attacked in This we shall do."

the Commoos yesterday by Mr.
Denis Healey, the Shadow
Chancelloc, as a "reckless,
peecipitate and doctrinaire" which he ceceived from Tory backbenchers. Mr. Richard Wainwright, the Libecal spokesaction, which could have disastrous consequences in bank-ruptcies and loss of jobs. man, also welcomed the statement.
The House also witnessed the

Labouc feared that it would lead to a large-scale outflow of capital and a dangerous fall in the amount of finance available for British manufacturing limenting a Conservative Minister on an economic Labouc backbenchers also

Sir Geoffrey could take com-

fort from the strong support

measure.

Mc. Powell said that he envied Sir Geoffrey the opportunity and privilege of announ-ciog a move which would strengthen the economy and help to restore our national pride and confidence in the currency. From the Opposition front

bench, however, Mr. Healey maintained that the abolition of controls showed a baffling sense He said that Britain now bad

the highest inflation cate of any industrialised country, unem-ployment has started going up again, and Government policies



HEALEY: Scornful; POWELL: Complimentary

Mr. Healey wanted to know how touch the financial instituexactly what the consequences tions would invest overseas strength.

In these circumstances, the announcement could only make matters worse.

He agreed that foc some time

month the Bank of England had to keep money supply under control and to finance the public sector borrowing requirement.

Ment which would do that.

Replyine to a renewed attack from Mr. Healey, he said that any changes of the kind he had any changes of the kind he had announced were likely to lead to the growth of jobs in this announced were likely to lead to the growth of jobs in this announced were likely to lead to the country.

sary to restore controls, the suffering from a serious cash Government would be unable to crisis?" he asked.

rather than in Government

areas of industry or commerce

"Any such exemption would

He said the areas of particu-

lar concern were those primarily

involved in international juris-

Concern about the effect of the broad definition of "preda-tory pricing" given in the Bill was expressed by Mr. Timothy

Ho feared that a company

which priced competitively could find itself accused of

predatory pricing.

Mr. Nott replied: "It is not a

particular practice which we are

Sainsbury IC. Hove).

tices' Act."

diction.

able foe resources in Britain.

lapse of the fringe banks.

capital investment in Britain. The problem was the lack of fluence the exchange rate.

profitable investment opporting additional problem was the lack of fluence the exchange rate.

"It is announced on its own tunities. By promoting additional problem was the lack of fluence the exchange rate.

A regime of income controls He pointed out to other could not produce economic questioners that stronger strength. It was the firm economies, like those of

that it was among the matters

which should be given detailed

consideration during the com-

John Smith, Opposition spokes-

man on trade, who asked wby, if it was such a bad idea to

increases, power was included in the Bill for particular in-creases to be referred to the

Director - General of Fair

intend to use this power io any

hut the most exceptional cir-

mittee stage.

consumers.

Trading.

reduction in the monetary Government should targets.

that this sudden "Successful investment in change in the industrial and this country does not depend on financial environment would be maintaining a ring fence round as disasteous as the previous the economy," Sic Geoffrey

Conservative Government's added.

policy of competition and credit
control, which led to the colcontrol, which led to the colcontrol which led to the of the fringe banks. Financial Secretary to the Sir Geoffrey replied that the Treasury, warned him: "This announcement had not been marks a turning point in the made with a view to influencing fortunes of this country that you the exclusing rate but to and many others will come bit-removing restrictions on lovest- terly to regret."

ment decisions by people in this country.

It was not true that it would dimioush the investment availchange rate, it would be guod

The overwhelming evidence news for the people engaged in to the Wilson Committee export industries. Sic Geoffrey told him: "This change is not announced to in-

tional investment overseas, the Government would be promoting the expansion of British operate unrestricted by rentarkets.

policies of the present Gevern-Germany. Japan and the U.S., ment which would do that. had all expanded their overseas

industry was to build a strong economy and to provide sound investment opportunities in British industry.

"Exchange controls have been with us in one form or another for just over 40 years. They have now outlived their usefulness." he declared.

"The essential condition for The essential conditions confidence in our currency is a Government deterning of the politic of the politic of the politic of the provide sound investment opportunities in British industry.

"Exchange controls have been a case for the relaxation of exchange controls. But the Government was abolishing at a stroke the whole apparatus of control.

"The essential condition for the position of the reserves or maintaining confidence in our currency is a Government deterning to the politic born in the burden of public control industry, which is already will be saved in public expending requirement.

"What will be the effect of this decision on our exchanges control relaxations and interest and consequently on the rate of initiation and interest and consequently on the rate of initiation and interest and consequently on the rate of initiation and interest and consequently on the rate of initiation and interest and consequently on the rate of initiation and interest and consequently on the rate of initiation and interest and consequently on the rate of initiation and interest and consequently on the rate of initiation and interest and consequently on the rate of initiation and interest and consequently on the rate of initiation and interest and consequently on the rate of initiation and interest and consequently on the rate of initiation and interest and consequently on the rate of initiation and interest and consequently on the rate of initiation and interest and consequently on the rate of initiation and interest and consequently on the rate of initiation and interest and consequently on the rate of initiation and interest and consequently on the rate of initiation and interest and consequently on the rate of initiation and interest and consequent

### Monetary policy pledge

By Philip Rawstorne

MRS. MARGARET THATCHER Replying to renewed attacks yesteday doggedly reaffirmed by Labour MPs on the section of the Bill which abolishes the stick to its strict monetary Price Commission, Mr. Nott policy, maintained that competition If m

If managements and nnions offered the best safeguard to did not negotiate responsible wage settlements, the Govern-He was challenged by Mr. ment would expect them to bear the consequences, she declared. The Prime Minister was

repatedly challenged on the attempt to investigate price issue by Mr. James Callaghan. Was it still her view, he asked, that a combination of strict monetary control and a wages free-for-all was going to reduce inflation and unemploy-Mr. Notl ceplied "We do not ment?

"The way to reduce inflation must be not to print more money," Mrs. Thatcher retorted. If we increase the money supply that will be next year's inflation."

The Government expected the two sides of industry to negotiate responsibly within the money supply limits. Mr. Callaghan suggested that

the result of the policy this winter would be higher inflation and higher unemployment Mrs. Thatcher snapped: "We had both of those in very large

measure under the last Govern-ment, that is wby I am changing the policy. Mr. Michael Meachec (Lab.,

Oldham W.) asked whether the Government intended to keep within its ceiling for the public sector borrowing requirement.

me to spend our way out of difficulty hut that would only lead to increased inflation and unemployment."

#### Nuclear weapons programme goes ahead

MRS. THATCHER, the Prime Ministec, reaffirmed the Government's determination yesterday to press an with its nuclear weapons programme in spite of Russian initiatives to scale down its military presence in East Germany.

She told the Commons that

Britain "must not be diverted" by Mr. Brezhnev's cecent speech from a programme al nuclear expansion, details of wbleh will be announced later this year.

Mr. Norman Atkinson.
Labour MP for Hacingey.
Tottenbam, ecitlesing Mrs.
Thatcher, said that it was
being said around the Foccign
Office that when in relation to office that when, in relation to detenie, she "shoots from the hip on these occasions," Mrs. Thatcher "does betray an immaturity" in internalional affairs. The Prime Minister countered that the Russian complaint was that "I shoot with deadly accuracy."

#### Carlisle called 'meal stealer'

MR, MARK CARLISLE, Edncation Secretary, was termed "a meal-stealer" by Mr. Reg Race, Labour MP for Wood Green. He was strongly attacked by other Labour MPs on Government proposals ovec school meals.

Mr. Gwllym Roberts (Lab., Cannock) told the Education Secretary: What you are really doing is turning the clock back 50 years and we will again see undernourished children in our schools.

#### No comment on Blair Peach

MR. WILLIAM WHITELAW. Home Secretary, said that he would not " comment or intervene" in the Blair Peach case while proceedings were con-

Mr. Frank Aliaun (Lab. Salford East) had asked him to set up a public inquiry into the death of Mr. Peach, s teacher, who died after the Southail riot in April. Mr. Allann said the Inquiry should not be undertaken by the

#### Transplant Bill first reading

A MOVE to give hospitals reedom to take the organs of any dead patient for a transplant operation was introduced by Mr. Tam Dotyell (Lab., West Lothian). His Transplant of Human Organs Bill received a format First Reading.

He said: "The kidney donor card scheme has not

worked and has fallen short of the expectations of those who put it forward." The Biti would allow people to contract out.

## on train crash

A PUBLIC inquiry is to be held as soon as possible into the Dundee train crash an Monday, in which four people died, Mr. Norman Fowler, Transport Minister, said.

British Rall is to conduct an internal luquiry.

Met strength up THE Metropolitian police force has increased its personnel by 502 since the beginning of the year, bringing the total to 22,463. Hr. Leva Brittan, Home Office Ministec of State said.

industrial stoppages in the UK during the first four months of this year totalied 5.9m, Mr. Patrick Mayhew. Employment Under-Secretary. said. That compared to 1.8m. in the same period of last

#### Editor collapses MR. DAVID CHIPP, editor-in-

chief of the Press Association, the national news agency, collapsed at the European Partia-ment in Strasbourg. He was given medical attention by Dr. Alexander Sherlock, European MP for Essex South-West, and guickly recovered.

## Nott offers a 'breathing space'

BY IVOR OWEN, PARLIAMENTARY STAFF

PARLIAMENT is to be asked to should it become apparent in "I do not intend to use the broadness of the definition conapprove an amendment to the the coming months that, power to exempt particular tained in the Bill and suggested Competition Bill designed to because of the investigation provide a breathing space for being made by the Restrictive in any other than special industry and regulatory bodies Practices' Court. adequate regu- circustances," Mr. Nott emphalike the Stock Exchange Council lation of the securities' markets sised. before findings by the Restric was being put at cisk.

This was announced in the that he bad no intention of in the Restrictivo Trade Practive Practices Court take effect. Commons yesterday by Mr. making an order exempting the John Nett, the Trade Secretary, Stock Exchange agreement when he rejected the Council's from the Restrictive Trade request that the Stock Exchange Practices' Act, but added that agreement? already referred to he would be prepared to con-the Court—should be removed sider further representations. from the scope of the Restrictive Trade Practices Act.

After explaining that under existing practice the findings of the Court took immodiate effect, he stressed that deferment would provide an oppoctunity for the parties to a case to make revisions in their practices in the light of the judgment. Any revised agreement

Any revised agreement than £5m should be excluded, would then have to be aubunless they had more than a 25 mitted to the Court for clearance.

Mr. Nott acknowledged the concern felt about the position of the Stock Exchange— emphasised from the Government backenches by Mr. Hugh Dykes (Con. Harrow E.)—and assured the House that Ministers had und extensive consultations.

Stock Stock Exchange Council's cequest had been mado with 'However, I am concerned

that adequate regulation of the securities' markets should be preserved and I recognise the value of self-regulation, in which the Council of the Stock Exchange has a central role to

be of help to the Stock Exchange Council and other regulatory bodies.
He was urged by Mc. Dykes

The Industry Bill reflects the

ing the size of the public sector

NATIONAL ENTERPRISE

BOARD

The Government's policy to-

poration new functions which ment Agencies are to be given

will facilitate the disposal of a function of promoting private

property and enable it to obtain ownership of the companies in

the assistance of the private which they have interests.

Mr. Nott said he believed that the breathing-space to be provided by the amendment would

Derby, tour Oxford and have tea with Mr. Harold Macmillan, the formec Conservative Prime Minister, during his six-day visit to Britain next week.

has an important role in China's defence programme, China is beginning to manu-facture under licence from Rolls-Royce Spey supersonic military aircraft engines at a fac-tory at Xian in central China.

strike closer ties with Europe as part of its more outward-looking global diptomacy.

Chairman Hua arrives on Sunday.

During the first two days of hls visit he will remain in Loudon for talks with Mrs. Thatchec and lunch with the Queen.

#### at Castle Donnington, the East Midlands airport, have apparently been shelved at Chinese request, Several Chinese delegations bave already seen test flights. China is still interested

and marine purposes.

In 2 deal worth about £100m and which

## Rolls-Royec has long been Seeking to Interest the Chinese in purchase of the

and Wales in 1975.

of regional policy.

straints on public expenditure.

because it is a useful instrument

Industry Bill is designed to modify powers of NEB be opened as far as possible to vided in certain circumstances, ESTATES CORPORATION The Bill revises the Chrporashould help in reduce public currencies. tion's functions and powers to expenditure and to impose permit both private sector greater commercial discipline involvement in the Govern- on the Corporation.

ment's factory-building pro-gramme in England, and to facilitate a greater degree of REGIONAL DEVELOPMENT GRANTS The clause dealing with self-financing. · This will also bring the EIEC into line with the Scottish and Welsh Development Agencies, which took over the industrial

does not affect the working in is a sterling limit. practice of the RDG scheme. It would embody in primary legisestates functions io Scotland already made by order or io The EIEC's factory-building exercise of discretion under the Industry Act. 1972. FOREIGN CURRENCY programme will continue, despite the important con-

GUARANTEES Amendments to Section 8 of the industry Act, 1972, will But the ElEC's activities will enable guarantees to be pro-

private sector involvement. This where the liability is in foreign This is already possible undec

Section 7 of the 1972 Act, for selective regional assistance. but at present the statutory limit for Section 8 assistance is denominated in sterling which prevents the giving of a foreign Regional Development Grants cucrency guarantee unless there

It is desirable to take this opportunity to heing Section 8 lation a variety of measures into line with Section 7 in this

respect.
INFORMATION DISCLOSURE The provisions of the Industry Act, 197a, relating to planning agreements and disclosure of information by companies to the Government and trade unions will be repealed,

such as the limitation of the vale sources.

contains all the legislative create an economic climate in

policy, but other constraints, industry can be met from pri-

It annuls the planning agree- NEB's future role to a narcower

BY DAVID HOUSEGO undertaken The decision to reject the Plans to demonstrate the Harrier IIself

aiming at here, but the effect of the particular practice." cunistances. per cent share of a particular He accepted there was some The Bill was given a second concern in industry about the reading by 302 voles to 235. Hua to visit Rolls-Royce factory

"if some dramatic situation

He also told MPs that the

Government intended to intro-

duce a further amendment

restricting the scope of a clause

in the Bill dealing with anti-

It was intended that com-

panles with a turnovec of tess

competitive practices

a rose.

CHAIRMAN HUA GUOFENG, the Chinese leader, is to visit the Rolls-Royce factory at

At Rolly-Royce, the only industrial plant he will he shown while here, he will see production testing of the RB-211 as welt as a range of civil and military aircraft engines including the Pegasus which powers the Harrier jump jet.

In huying about 70 Harriers though it is Ilbbing at the basic east af about film.

range of investments, will he covered in the revised NEB

Guidelines which will he issued

The Bill will enable the NEB

to make very substantial dis-posals of its existing holdings:

but it retains the function of

providing temporary support for

those companies of national

importance for which it has

role in celation to advanced

technology companies and firms,

particularly small firms, in the assisted areas. The Govern

The NEB will have a limited

responsibility.

when the Bill bas become law.

RB-211 and in gas turbines for industrial

As part of the same deal it bought a number of Spey military engines. China bas also purchased from Rolls-Royce a further £100m of Spey and Dart civil engines for its Trident and Viscount floet.

No contracts are expected to be aigned during the visit which is largely ceremanial and concerned with China's attempts to

Such a policy, be said, could lead to a 9.5 per cent unemploy-ment rate by 198t.

Mrs. Thatchee confirmed that the Government would keep to its ceiling. "You are inviting

**Inquiry pledge** A PUBLIC inquiry is to be

Strikes' toll

year.



this number koller the bancial In

America' Means, Char

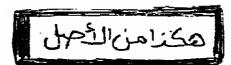
Macro No. maincom.

MGive Your indiction of the Man News

Mand of Re.

Marie Wall A Control of the second pur l'action

All Months



## YOU'LL FIND AMERICA'S BEST BUSINESS ADVANTAGES IN ONE NEW YORK OR THE OTHER.

You already know one New York. The Business Capital of America: New York City.

But what you may not know is that it's surrounded by 50,000 square miles of another New York: New York State. This is America's most diverse manufacturing center—where 35,000 plants and factories manufacture almost everything imaginable.

And this is why both New Yorks are so attractive to business:

#### We Offer the Best Financial Incentives in America Today.

No other state offers more tax credits and exemptions. In the last two years, Governor Hugh

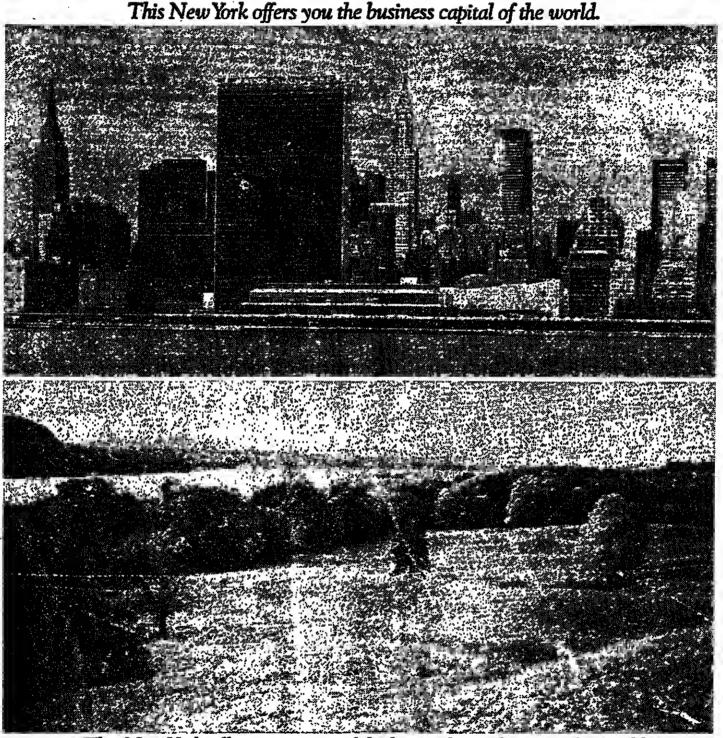
Carey has cut nearly \$1.5 billion in State taxes—that's more than any other state. And of the ten leading industrial states, we were one of only two states to reduce personal income taxes.

#### We Give You More Market for Your Money.

Our 18 million residents are the center of the largest and richest consumer market in the Western Hemisphere. In fact, if New York were a country by itself, it would be the 10th-ranking economic power of the world.

#### A Land of Resources.

Our 30 million acres offer hundreds of available plant sites, an abundance of water resources and plentiful fuel and energy supplies. Here you'll find one of the most productive labor forces in America — in addition to the most lawyers, suppliers, packagers, distributors and trade consultants. No other state even comes close.



This New York offers you some of the best industrial sites in the world.

The Best of Both Worlds.

Hundreds of international companies are at home in New York,
America's most "international" state. Every possible diversion is at your fingertips—from the world's finest restaurants and theaters to mountains, lakes and more than 1,000 miles of beautiful ocean beaches.

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## NEW YORK STATE

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## Ichnical Page Three thousand

PROCESSING

## Continuous powder coating plant

Sonneborn and Rieck.

Commissioning tests, carried out during the summer, bave proved satisfactory and the company is progressively running down its former wet-finishing sbop.

Minimal pollution of the atmosphere in the epoxy route makes the plant ideat for the company's Sholing, Southampton, factory, in the centre of a residential area.

Epoxy-based powder coatings provide a highly scratch-resistant surface suitable for Vero's range of products, without the necessity to use a primer. At the same time, cost of solvents used in the former wet spraying process has been rising alarmingly. No such solvents are used in powder coating and, at the same time, the risk of fire is greatly

Wastage is very low when using powders; the overspill from electrostatic spraying is largely recovered for re-use.

The new plant operates with continuous overbead conveyor running through two paint hooths, a curing oven and a cooling area. The booths are used alternately, thus saving time when colour changes are required. The booths are designed to work with a pair uf remotely controlled electrostatic powder guns, one on each side, and there is also provision for hand spraying which may he necessary in the case of awkwardiy

VERO ELECTRONICS has installed a £75,000 flow-line degreased io a large tank powder coating plant and is to situated in the paint sbop. The use epoxy powders supplied by capacity of the new plant is greatly in excess of present production, leaving acope for

> Sonnehorn and Rieck specialist paint manufacturer of Hainault, recently installed a new powder coating manufac-turing unit at a large modern factory at Holmewood in Derbysbire, where it specialises in the formulation of powders

to meet specific needs. details Further Sonnehorn and Rieck, Works, 91-9ā Peregrine Road, Hainault, Ilford, Essex. 01-500 0251.

#### Laminates and prints paper

THE FIRST machine in the world that can laminate two papers together, print six colours (one or two of them gravure and the halance flexograpble printing techniques) and emhoss the product all in-register is the Miniprinta Major claims Person Major, claims Bennett Dean Design, 23 Water Lane, Wilms-

low, Cheshire (0625 529895). Furthermore, by laminating a recycled hacking paper to the details in the file beader of the lightweight. Lop paper. an print tape. All the operator bas lightweight top paper, an extremely cost-effective and beavier quality end product is shaped achieved.

# words a second

ABLE TO cut, perforate, punch, collate and address-as well as print—documents at rates up to 210 pages, with 18,000 lines, per minute, Honeywell's PPS II high quality printer will work with a computer or from computer tape and can run under the control of an IBM machine where this is required.

The printing technique used creates near-perfect characters by a method in which a line matrix of fine print styli is activated in a pattern corresponding to instructions from magnetic media. Electrostatic images are formed on the surface of the paper directly oppo-site the styli. The paper moves forward and the images attract toner particles to form a visible

image.

Forms are produced at the same time as the data is printed out. Simple forms and fixed details such as column beadings and separators chosen by the user can be coded, stored and retrieved for direct printing. More intricate designs and those needing graphic arts can be produced from a lightweight easy to change metal

The unit has its own minicomputer to direct it and the user can communicate with the equipment through a display PPS II allows operators to design and load founts into the

system whether it is to be used on-line to a big machine or off-line with a control tape. Up to different founts of 128 characters each can be stored. Minimum operator intervention is required ooce the system has been set up. In on-line worklng, the main machine transfers information directly to the mini and to the latter's disc store which runs the non-impact

printer.
Off-line, the main machine would enter all the job control to do is load the paper, check press the start button.

This remarkable equipment does not come cheap. lo its basic form, which includes the mainly in stainless steel. Muncl 8,000-line-per-minnte printer, VDU, mini and disc, the cost is £120,000. The 12,000- and 18,000line options are priced at £26,022 and £65,883 respectively and it is intended to begin deliveries

in the first quarter next year. The printing system used is onique and the fact that the equipment can be run at any time convenient to the user, wbatever the state of play of the main computer in organisation, is valuable. At the same time, should the print load grow rapidly, there is no diffi-culty in expanding the unit to meet extended needs.

Honeywell Information Systems, Great West Road, Brentford, Middx. 01-568 9191.

#### INSTRUMENTS Measures the strain

QUANTITATIVE analysis with visible indication of the location magnitude and direction of the main strains in structures under test can be carried out with the RP1 reflection polari-scope introduced by Sharples Photomechanics, Wesley Street. Bamber Bridge, Preston PR5 4PB (Preston 36268).

Employing the photoelastic surface coating technique, the Isoclinic and isochromatic fringes produced on the coating of the test object can be observed through the analyser with the naked eye. Main advantage of the technique is that testing is carried out on the actual structure-there is no for scale modeis and associated interpretation.

A telescone can be mounted on the instrument to achieve a precise fix of the measuring point on the object. The photoelastic fringes can also be photographed if necessary utilising a camera behind the analyser.

COMPONENTS Standard bellows, produced in

a range of metals, are heing

marketed by Avica Equipment. Mark Road, Hemel Hempstead, Herts. HP2 7DQ (0442 64711) for use as compensators for thermal expansion, misalign-ment and manufacturing therances in duct systems, and to reduce or eliminate the transmission and effects of noise and vibration. Manufactured metal, Nimonic, titanium, Hastelloy, phosphor bronze and bronze, the belinws can be produced in many sizes and wall thicknesses from seamless and welded tubes, with single or multi-ply walls. They are available with bores ranging npwards from i in, mostly hydraulically formed although some extreme sizes, both large or small, may be roll formed, while to obtain particolar characteristics a combination of the twn processes may be used.

#### Will heat acid solutions TEFLON COVERED immersion 1 to 12 kW with a power dissipa-

heater, the Thermoplunger, is now being marketed in the UK by Harris Plating Works, Great Missenden, Eucks (024 06 3131).

Heating elements encased in the UK degrees C with a beavy duty version for temperatures up to 100 missenders. two concentric sheaths of Tef-150 degrees C. lon, the inner layer being highly

beat resistant, while the outer layer has a bigb chemical resistance. Supplied in a power range of

#### **Cooling it** in confined panels **spaces**

SAID TO be the answer for direct local cooling in confined spaces is a range of miniature fans from Radiatron ponents. 76, Crown Twickenham, Middx (01-891

There is a choice of AC and DC versions with a variety of operation voltages and five sizes from 24 to 60 mm diameter and 62 mm square.

Air delivery ranges from 60 to 1,400 litres a minute.

• PIPELINES

The heaters may be used in almost any adultion, says the company, including those of chromic, nitric and hydrofluoric

## • MATERIALS **Insulation**

INTENDED TO belp reduce heating and cooling costs in industrial, commercial and domestic buildings by at least one-third, is a product from PGR Insulation, Unit 3/5 East Avenue, Keighley, West Yorkshire (0535 64333).

Insulation panels made by the company are produced by pressure injecting a core of polyurethane foom between two Polyuretbane chosen hecause of its excepoverall insulation, vapour resistance properties, and excellent qualities of adhesion.

A layer of 4 cm thick PGR polyurethane foam, says the company, has the same insulating property as 6 cm of cork, or a coocrete wall 40 cm thick. This foam can be faced with a vast range of materials - such as profiled steel, profiled aluminium, pre-felted chipboard, wood veneers, etc. — in fact, virtually any flat-sheet

Although the company carries extensive stocks of panels ready for immediate. off-the-shelf delivery, its method of manufacture allows creation of an almost limitless range of panels.

#### **Fertiliser** plant fabrications

USING A laminate of polypropy-lene/glass fibre fabric—Celmar —Societe d'Application des Plastique Stratifies, Valdampierre. France, bas completed some very large fabrications for a Russian fertiliser plant.

Material is manufactured by Britisb Celanese, 22, Hanover Square, London, W1 (01-629 8000) and is used for a gas scrubbing tower where the base portion on its own is 8 metres high hy 4 metres diameter. A set of venturi connect with a cyclonic separator which is 12 metres bigh and 2.5 metres in diameter and a larger separator is 20 metres high and 4 metres

Fabrications include tha production of 50 metres of spirally wound pipe using 4 mm Celmar All the welds were dressed and spark tested and SAPS also bad to produce domed ends and knnckle radii in considerable quantities for this project.

#### No effect on pipe linings

THE FREEZING of pipelines to carry out repairs or maintenance is now a fairly com-mon practice. Processing plants do not have to be sbut down, nor do pipelines have to be

fully use ice plugs in pipelines that are lined with either ebonite or plastics materials.

In one test, a 7-inch diameter ebonite-lined pipe was filled with sea water and the temperature of both pipe and contents was reduced to minus 50 degrees C to form a solid plug of ice within a specified length of pipe.

A pipeline pressure of 580 lh per square inch was applied for 15 minotes to see if it would retain its hold—it did. Suhsequent checks showed that the ebonite lining was unaffected. Trials have also been carried out successfully on 12-in diameter plastics (pvc) lined pipes and on pipes made solely

The company says that it concludes from its research that the technique could be used for larger diameter lined pipes. Inquiries will be dealt with at the company's headquarters at 2, Meadow Road, Shorilaods, Bromley, Kent BR2 0DX (01-464 3135).

## Controlling pressure

WHEN A system contains a fluid in motion through pipe or conduits, pressure surges can occur due to suddeo changes of flow—in some cases this could lead to damage or failure of a plpe network. In order to en-sure that the network is ade-quately protected, caution is required in the design stage and in operation, says CIRIA in an-nouncing the publication of "Control and suppression of pressure surges in pipelines and tunnels " (Price £40, members

Information in the report aims to guide consulting engineers, regional authorities, local authorities, plant manufacturers, pipeline engineers and universities.

Report 84 is available from CIRLA, 6 Storey's Gate, West-minster, London SW1 (01-222

#### **Atlas Copco** compressed air systems. A force put to

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work for you. Atlas Copes

#### . IN THE OFFICE Rolls out copies of drawings

WHEN ADDED to the front of the hasic GAF1100 diazo printing machine a new autufeed option, 1102, enables the unit to produce dyeline copies of drawings, etc., on a continuous basis at linear speeds up to 40 ft./min.

All the operator has to do is feed in the originals using simple press buttuo controls on the front panel.

The feed unit bolds two rolls of sensitived panels.

of sensitized paper up to 36 in wide fur automatic use plus one roll up to 48 in wide for manual work. Speed of the roll feed is synchronised to that of the One UK company specialising in the technique — BCB Pipe-freezing Services — has now found that it can also successfully use ice place? drum on the basic 1100 printer.

Roll feed also means that the length of print that can be made is limited only by operator's ability to control the feed alignment of the original. There is a reversing facility that can be used in the event of a mis-feed.

GAF (Great Britain), P.O. Box 70, Blackthrane Road, Colnbrook, Sluugh SL3 OAR (Colnbrook 4567).

#### **Furniture** makes work easier

PROMISING TO Increase office efficiency hy up to 50 per cent is the OEM Group with its introduction to the UK of modular office systems furniture which Interconnects to provide either Independent or group work-

Both ranges, produced hy Dutch maker Vao Blerk, are constructed from cold rolled steel plate-one is coated with ABC Cycolac to provide a com-pletely atain resistant, scratch

and heat proof sorface.

Key to the system, anoounces the company, is a range of table units (the word "desk" is never used) all of which interconnect in various formats with total precision—in terms of height, length and width—so that an office eovironment can be achieved where a sense o hnt also where organisational links can he established. A typi cal work station can be assem bled in just half an hour and dismantied equally quickly to provide different configurations elsewhere.

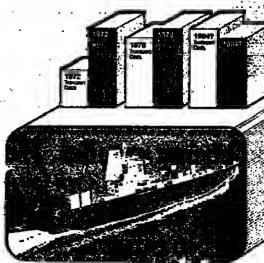
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# I.What do porcupines eat with their cheese?

- 2. What vaccinations do I need when visiting Kuwait?
- 3: How do you remove ink stains? 4. What's the cost of a room in a good
- hotel in New York? 5. What is the consumption of primary
- aluminium in Japan? 6. What are the latest betting odds for
- Saturday's race at Ascot? 7. What was Dalgery's trading profit in
- 8. Which football club is top of Division
- 9. Which petrol stations open all night in
- . London? 10. Which athlete holds the British men's 100 metres record?
- 11. Which was the Beatles' first number one in Britain?
- 12. How do I give up smoking?
- 13. Who wrote The Prisoner of Zenda?
- 14. Is there a seat available on the stand-by flight to Los Angeles?
- 15. How much does a case of 'Chateau Talbot' 1959 cost?
- 16. How do you build a barbecue?
- 17. How much does it cost to hire a video cassette recorder?
- 18. Who is the leading goal-scorer in Division One?
- 19. Which restaurants in Stratford-on-Avon accept American Express cards?
- 20. Where can I find a disco sailing down the River Thames?
- 21. Where can I rent 7,000 sq. ft. of office space in W.C.1.?
- 22. What marks a 15th wedding anniversary?
- 23. What is the meaning of my Christian
- 24. Who was the first Plantagenet king?
- 25. Who was the first British Prime Minister? 26. What's the current top ten LP's?
- 27. What's my horoscope for today?
- 28. What's the exchange rate today for dinars in Yugoslavia?
- 29. What's the price of gilt-edged securities for the year 2,000 AD?
- 30. What are the current balance of payment figures for the UK?
- 31. What was Britain's industrial manufacturing production for the second quarter of this year?
- 32. What is the national language in Brazil?
- 33. What is the capital of Zaire? 34. Where can I pick fruit in Kent?
- 35. Where can I camp on a farm in Devon this summer?

- 47. What is this Monday's agenda for the House of Commons?
- 48. What foods can I eat for a high vitality
- 49. What's the metric equivalent of one square yard?
- 50. How do I make a will?
- 51. How can I grow a lawn?
- 52. Where can I hire a rancy-dress out it?
- 53. Where can I find antique jewellery? 54. Where can I find a 24-hour plumber in
- South London? 55. What is the exemption limit on
- Capital Transfer Tax? 56. What are my legal rights buying goods from a doorstep salesman?
- 57. Where are there practice ski slopes in
- Surrey? 58. How much does it cost to rent a carfor
- a week in Miami? 59. Is there a game of Jai-Alai being played
- in Miami in December?
- 60. How hot is Miami in June?
- 61. What is today's Stock Exchange closing: report?
- 62. What is the last date to enter the Queen's Awards for Industry?
- 63. How much does the Social Security give for a maternity allowance?
- 64. What jobs are available in aeronautical engineering?
- 65. How do you cook veal cacciatora?
- 66. What are the exam requirements for entry to Bristol University?
- 67. What was the demand for oil-based products in the U.K. during the first half of 1979?
- 68. How many words are there in the Bible?
- 69. How much does a new Jaguar XIS cost? 70. Where is Richard III showing in London?
- 71. Where is there a late night mixed sauna
- in London? 72. What commemorative coins will be
- struck by Argentina this year? 73. Where can I find an overseas job in
- communications engineering? 74. Who won the 1969 British Grand Prix?
- 75. How much do microwave ovens generally cost?
- 76. What further educational courses are available in Scotland?
- 77. How did the New York Times review Woody Allen's new film Manhattan?
- 78. Which aeronautical machine is Dr. Alex Reid, Director of Prestel, trained to fly?
- 79. What percentage of households in Britain are owner occupied?
- 80. Where can I arrange a business conference for 25 people in Scarborough?

- 91. Which Cosmos travel agents have Prestel sets in Mersevside?
- 92. What is the flight availability to Oberammergau?
- 93. Which greyhound won the 11.00 at Hackney?
- 94. Where can you ski in Iraly?
- 95. What 5 door saloon cars are there available over £8,000?
- 96. When was the first transatlantic relephone cable laid?
- 97. What was nylon first used for?
- 98. What electrical voltage supply is used in Canada?
- 99. How do you wire an electrical plug? 100. What are the future prospects for the
- printing industry? 101. What are the company accounts for Littlewoods?
- 102. How do I invest £5,000 with a local
- authority?
- 103. Who is Chingford's M.P.?
- 104. How do you get legal aid?
- 105. How do you make Christmas pudding?
- 106. Will I find Prestel in Harrods? 107. Which pet foods do Mars make?
- 108. What are the odds for the National
- Hunt? 109. What are the latest shipping forecasts?
- 110. What are the symptoms of foot and
- mouth disease in cattle? 111. What can you see in Kew Gardens?
- 112. What is the weekly report for the
- British sugar beet crop? 113. How do I get tax relief when borrowing money?
- 114. Which new singles entered the pop
- charts this week? 115. What is the rise of average earnings for
- July 1979 compared with last year? 116. How much should you tip a waiter in France?
- 117. What courses can you study for the Open University?
- 118. Which public authorities are offering vacancies in architecture?
- 119. How much does it cost to travel from London to Sydney at economy class?
- 120. Which harbours run a car ferry service to the Channel Islands?
- 121. What new legislation is on its way? 122. How much will a 14 day holiday in Tenerife cost?
- 123. Where can I visit windmills in East Anglia?
- 124. Where are there oriental take-aways in Yarmouth? 125. What time is the last train from
- Norwich to London on Sundays? 126. What is the EEC budget?
- 127. Where are medieval banquets held in the Birmingham area?
- 128. What outdoor events are there in the south-east in October?
- 129. Where can I get a cruising holiday on England's waterways?

- 139. What is today's news summary for America?
- 140. What is the latest world trade news?
- 141. What are the latest retail prices and intlation rares?
- 142. What was the R.P.I. for January 1971?
- 143. What are the current economic forecasts for wages and prices for the start of 1980?
- 144. What were the U.K's trade imports in
- August 1979? 145. Which woman has won the most
- championships at Wimbledon? 146. Who won three titles at Wimbledon
- in 1952? 147. What is the largest land carnivore found
- in Britain?
- 148. Which British bird lays the largest egg? 149. What is the speed of a giant tortoise?
- 150. In which year was the registranon suffix A introduced for cars?
- 151. What has been the lowest charge for petrol in the U.K. since World War One?
- 152. Which was Britain's first motorway?
- 153. In which year were stereo records first introduced into Britain? 154. What is the title of the Canadian
- national anthem? 155. Who made the first cross-channel
- flight by aeroplane? 156. Who was the first "Test Tube Baby"?
- 157. What is the population of Yugoslavia? 158. How much is my current bill on Prestel?

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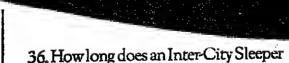
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Essex SS14 3BW. He'll be able to give you the answers to your questions, including the first one on this page!





- from London to Perth take? 37. How do I construct my own dinghy? 38. Is there a Red Star parcel service from King's Lynn?
- 39. What are the times of the Railair trains from Liverpool to Gatwick Airport? 40. What are the 10 best unit trusts for
- October 1979? 41. What was BP's turnover in 1978? 42. What is the new single personal tax

allowance limit?

from London to New York? 44. What are the weather conditions in Frankfurt?

43. What times are the Concorde flights

£200? 46. How do I register the birth of my child?

45. What dishwasher can I buy for under

- 81. What's on display at the
- Washington Smithsonian Institute? 82. What are this week's food costs?
- 83. Where are Britain's narrow gauge railwavs?
- 84. Where are Barclays Banks situated in 85. Where is there a Berni Inn in Bristol?
- 86. What films are available on Industrial Safety from The Central Film Library? 87. Where is there a good wine bar in
- Norfolk? 88. Which restaurants are open after midnight in the West End?

89. What are the addresses of consumer

advice centres in Solihull? 90. Where can I buy Schreiber furniture in the Isle of Man?

130. Which health farms are available in Yorkshire?

1900-1972?

journeys?

- 131. What's the calendar of major rugby union matches this year? 132. What are the chinese zodiac signs from
- 133. What is my ideal weight? 134. Where can I get a villa self-catering holiday in Europe?
- 135. How many calories are there in a glass of champagne?
- 136. Where are poetry readings held in London? 137. What games can children play on car
- 138. What are the circulation figures of the national newspapers?



MILLIONS OF ANSWERS AT THE TOUCH OF A BUTTON.

#### THE MANAGEMENT PAGE

Lorne Barling on the Chamber of Commerce preparing for hard times Business

## Birmingham's brave face

IN THE West Midlands few sands. However, the implications of serious industrial upheavals in the region bave not been

John Warburton, director of the Blrmingbam Chamber of Commerce and a man of long experience in Midlands indus-trial affairs, believes that if worst happens, which he cautiously describes as a "rapid rather than a slow decline of the local companies will have the resilience to repair the damage within three to four years.

This optimism, expressed despite the fact that hundreds of companies making products related to the car industry may suddenly lose orders, is based largely on his faith in the enterprise of the area's smaller companies, which have helped considerably in dealing with the dislocation suffered so far.
The Birmingham Chamber,

after concentrating its efforts in recent years on promoting exports, is now anxious to redirect some of this towards what Warburton describes as "some nasty patches of unemployment and deprivation" on its own

Unemployment in the West Midlands is now above the national average at 5.8 per cent of the working population, with Birmingbam itself slightly worse at 6.4 per cent and Coventry 7 per cent, according to the mid-September figures.
"We see a major responsibility to put this right, as do some of the bigger companies in the area, such as Cadbury and Lucas. There is no doubt there will be changes in the place on their doorstep. pattern of local innustries, caused by more imports and a number of other factors," he

The Labour Government's "nursery" units in city centre Keith Joseph would be willing people in authority are keen to initiative to attract industry areas which are in strong speculate on the broader issues into the inner city areas was demand for new or expanding of BL and the motor industry, commendable, Warburton bedespite the daily brinkmanship lieved, and boped that this bam Chamber bas even gone so which affects the lives of thousands. However, the implications present administration. "We staff to go round local combave to create the right ampanies with information on bience for small- and medium what sort of aid is available bience for small- and medium-sized companies to grow," he

> and suggested that, despite the severe problems of areas such as Wales and the North East, they had had their chance and it was now time to think about the afflicted areas of the Midlands. After all, wby should aid be granted to development areas only by the UK Government or Community? European

Warburton also has faith in the common sense of companies in the area; they are not standing still while the problems of BL multiply. He points out that they are diversifying and looking for overseas markets, and above all, keeping an eye on the state of their order

With the chamber's attention now fixed on these matters, it has recently formed closer ties with local authorities, particularly in Birmingham itself. A major breakthrough was the collaboration between chamber and the city council in the development of the National Exhibition Centre. which bas been a resounding

Success removing some of their eggs use of an international market- pean countries.

small companies. The Birming-

from local authorities. This too bas been successful. "It seems bas been successful. Similarly he welcomed the that the chamber is rather changes in regional aid policy, more able to sell the idea than that the chamber is rather someone from a council department" observes Warburtonwithout wishing to be unkind to the council.

Like many chambers of commerce, Birmingbam is constantly reassessing its role in local affairs, often in relation to other chambers and to the Confederation of British Industry. Trying not to get too many lines crossed is of obvious import-

#### Hot potato

Ironically, the Birmingham Chamber has long promoted the interest of the nine other chambers in its regional group, only to find that they bave grown formidably at its own expense. The chambers, such as those at Dudley, Stoke, Coventry and Worcester, have pushed up their membership and, with full-time staff and bigger premises, some bave started holding seminars and increasing their export documentation services.

This is of course good for the Aside from the more general West Midlaods, but the regional benefits of the NEC, its chambers, with collective voice, arrival has been fortuitous for are joining the national call for companies which are carefully public law status, whereby all chambers would receive income from one basket. With little from a payroll levied on local expense or effort they can make companies, as in many Euro-

This is something of a hot Local authorities bave also potato for the Birmingbam oecome more involved recently Chamber which is officially in clined to see their order books Details from Management Centre In innustrial development pro-jects, particularly the kind of cannot see the day when Sir indicator.

to entertain the idea, consider-

One argument in favour is that without it British chambers cannot meet on equal terms with their opposite numbers in Europe. However, there is little evidence that UK chambers are inferior in any way as a result of this

In Birmingham Itself there

are more immediate matters to be dealt with by the chamber on behalf of its 4,000 member companies. These include the vastly increased burdens of administration brought about by Government involvement with industry, shortages of skilled workers, energy saving programmes, export activities

and all the rest.

Since the day the huilder of the Snez Canal, Ferdinand de Lessep, addressed the chamber about "the proposed ship canal across the Isthmus of Suez." it has attempted to be at the forefront of industry, keeping pace with change. Its export promotion activities, the first of their kind in this country, continue to he well supported but the domestic challenge now seems an even greater priority.

In practical terms the chamber can only provide the services and encouragement for companies to face the probably rapid changes in the Midlands industrial structure, brought about by new industrial tech-niques as much as by the

problems of the motor industry. The chamber has increased its research activity to about 10 per cent of its total-the rest covers services—and believes the mix to be about right. Although its quarterly economic forecasts are regarded as useful. Warhurton still believes that member companies are more in-

## courses

Whole City Heating—Combined Heat and Power, London November 21-22. Fee: £95. Details from Conference Secretary (WCH), CICC, PO Box 31, Welwyn, AL6 0XA.

Interviewing Skills and Tech-niques for Executives, London. November 23. Details from AMR International, 6-10 Frederick Close, Stanhope Place, London W2 2HD.

New Forms of Work Organisa-tion and the Quality of Working Life, Leicester. November 29. Fee: £17.25. Details from Work Research Unit, Department of Emoloyment, Steel House, 11 Tothill Street, London SW1

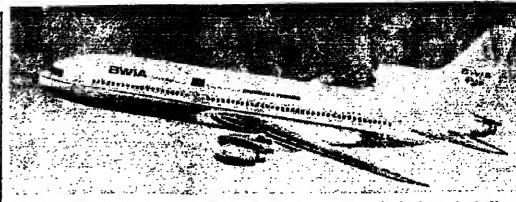
Training for a Logical Approach to Fault Finding, London. November 20-21. Fee: £177 November 20-21. Fee: £177 (non-members), £150 (mem-bers). Details from Course Sec-BACIE Training 16 Park Crescent, Services. London WIN 4AP.

.Ul-Round Negotiator London November 28. Pee: £70 (plus VAT) non-members, £65 VAT) members. Details from The College of Marketing, head, Berksbire, SL6 9QH.

Improving Management Performance. Hove, Sussex. December 2-7. Fee: £254 (nonmembers), £207 (members). Details from Course Secretary, BACIE Training Services, 16 Park Crescent, London WIN

Institute of Public Relations Annual Conference in the Service of Democracy, East-bourne, November 23-25, Fee: (non-members), (memhers). Details from Institute of Public Relations, 1 Great James Street, London WCIN

Commercial Negotiation, Wembler. December 2-5. Fee: £410 (plus VAT). Details from The Secretary, Brunel Management Programme, Brunel University, Uxbridge, Mlddx., UBS 3PH. Lahour Relations in Europe Brussels. November 28-30 econumic Europe, Avenue des Arts, 4, B-1040 Brussels, Belgium.



A Lockheed TriStar-500 to be delivered in 1980 to Trinidad and Tobago (BWIA International) Airways

## The man who aims to pilot **BWIA** into bluer skies

BY DAVID RENWICK IN PORT OF SPAIN

to which most small developing past makes Mr. countries can lay claim. Trinidoubly difficult. dad and Tobago is no exception.

BWIA International, the country's state-owned air carrier try to reorganise the company which flies to London. New tended to clash sooner or later York, Toronto, Miami, Caracas with the politicians; the result and other cities and operates was that BWIA suffered the offices in all of them, should severe bandicap of having its bave expired ingloriously long

It has never made money since it was acquired by the Trinidad and Tobago Government from the then BOAC in national appointed to the job

Trinidad and Tobago's fellow members in CARICOM, the 12sistently refused to allow BWIA or all, of their route rights com-overseas. Jamaica and Bar- had to compete by starting companies of their own in collaboration with foreign carriers.

#### Carnival

In 1978, BWIA was ont of the air for as long as three and a half months, when its pilots chose the busiest period of the year to strike; the airline normally ferries thousands of people from the ontside world to the annual Trinidad and Tobago carnival.

Against this hackground, it is safe to say that the airline is still in husiness today only because of a determination on the part of the Trinidad and Tobago Government that the CARICOM area must not bedependent on foreign carriers. The region's business is peripheral to them and their planes can be withdrawn at a moment's

tion from the local oil industry, and can afford to subsidise operating losses and underwrite

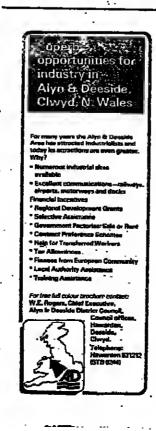
capital investment. But the Treasury is certainly not limitless and a developing country has innumerable claims on its capital resources; the pilots' strike afforded the Government an opportunity for some hard thinking on bow BWIA could possibly be brought into profit in the 1980s, and kept there.

A Cabinet-appointed committee recommended that BWIA should take on a new look by merging with the domestic carrier, Trinidad and Tobago Air Services, into one larger airline to be called Trinidad and Tobago (BWIA Inter-national) Airways Corporation. It was to have an infusion of fresh managerial talent and to move into the wide-bodied, long-haul aviation field as a means of providing a much-needed broadening of the existing slim revenue base.

To supervise this revitalisa-tion programme, the Government chose a 33-year-old Trini-dad national, Ian Bertrand, who had worked in the local office of the international accounting firm Peat Marwick and Mitchell, after graduating from Cambridge and Imperial College, London. He had developed a reputation for himself in the management consultancy field in Trinidad and Tobago and the

CARICOM region.

At the best of times, running an airline which is obliged to compete on a daily basis with far more experienced competi-tors in the metropolitan world



AN AIRLINE is the one trans- is not an easy task; BWIA's national corporation of its own history of inefficiency in the past makes Mr. Bartrand's job

The expatriate exceptives Yet on rational grounds, (mainly American) who bad previously been brought in to general manager changed six times in the 10-year period from 1966.

Bertrand's immediate pr decessor was the first Trinidad 1961; its losses over the last and his mere three years of four years have averaged service was longer than any of TT\$ 30m (\$U.S. 12.5m) a year. the expatriate monagers before

This constant chopping and territory Caribbean Community changing of chief executives and Common Market, have condid little for the airline's longterm organisational structure to operate on their hehalf some, and operating procedures. A ission of enquiry which overseas. Jamaica and Bar- had been looking into the air-bados even deliberately set out line's affairs before Bertrand's appointment was forced to this unflattering conclusion: "Deficiencies are evident in almost every area—in the general siructure, in management, in personnel, in systems and in the quality and quantity of

> The following examples were offered in evidence. Marketing: The commission

found BWIA's salesforce at almost all out-stations to be "grossly inadequate" and often whatever selling it did, it did badly. For example, in the office in Caracas, Venezuela (a Spanish - speaking country). BWIA was discovered to have only one brochure in Spanish. Similarly, In Canada, no marketing material was available in French, although the airline was attempting to attract cus-tomers to its Toronto-Trinidad route from both English and

French-speaking provinces. Public relations: Memhers of well off through surplus taxa- reported witnessing "the most appalling attitudes displayed passengers," in particular, discourtesy difference" at BWIA's main operating point, Piarco airport

> It blamed the airline's supervisory staff for failing to exercise the necessary control. Even first class passengers, paying considerably more than the average fare, were not immune from rough treatment, unless they were "well-known" "some ohvioos dignitary."

In Trinidad

Engineering: The commission observed an "alarming condi-tion" in BWIA's engineering and maintenance department in Trinidad and recommended an urgent assessment" of the company's technical manpower; in particular to raise the retirement age, to re-employ some retired staff and to accelerate the training programme.

Mr. Bertrand has briskly responded to these and the many other problems thrown into his lap by bringing in new senior managers, where he can find them (and he bas been relatively lucky in attracting qualified Trinidadians living abroad to return home), and giving them the sort of free hand to deal with structural weaknesses traditionally denied their predecessors. He has declined to work

through politicians and insisted when he agreed to take on the director's job that be would report only to the board, which has been reconstituted under the chairmanship of a success ful banker, Philip Rochford. So far, he says, the Government has respected this and no minister has attempted to interfere with managerial decisions. On the contrary, the Govern-ment appears willing to leave the new management team to get on with it and to back up its efforts with further cash injections: a computer to handle reservations has recently been installed and the Cornoration is seiting up a cargo sunsidiary with the Government of Barbados. This will run netween the Eastern Caribbean and outside points, giving competition to external carriers for the first

Route expansion is also very much on the cards; nnce it takes delivery of its two Lockheed L1011-500 wide-bodied aircraft. the Corporation plans to add two new routes, Houston and Frankfurt, to its passenger service.

After only a few months in the job, Mr. Bertrand claims to be able to detect some improvement already. In the summer months of July and August this year, the airline achieved a record passenger load factor of 77.4 per cent, this compares with 67.4 per cent in 1978 and 71 per cent in 1977.

#### Challenge

Pressed for a cautious prediction, Bertrand says there is every likelihood of the Corporation finally making the operat-ing profit that would indicate bad finally turned the corner by the year 1982.

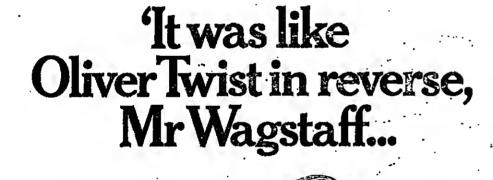
"I see nn reason," he says, why public sector companies like airlines have to be run inefficiently countries, and I consider BWIA challenge.

The relatively small size of the airline in international terms (it will have 16 aircraft by next year) does not scare him. "My past consultancy experience convinced me there was a certain flexibility in smallness which will hopefully enable us to adjust more quickly to the vagaries of our competitive consumer industry than some of our metropolitan rivals."



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Perhaps we can help your dreams come true, Mr Greening. Hi-fi to Japanthat's just the sort of coals-to-Newcastle challenge our branches thrive on!



Wagstaff reflected on the novelty of it all.

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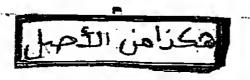
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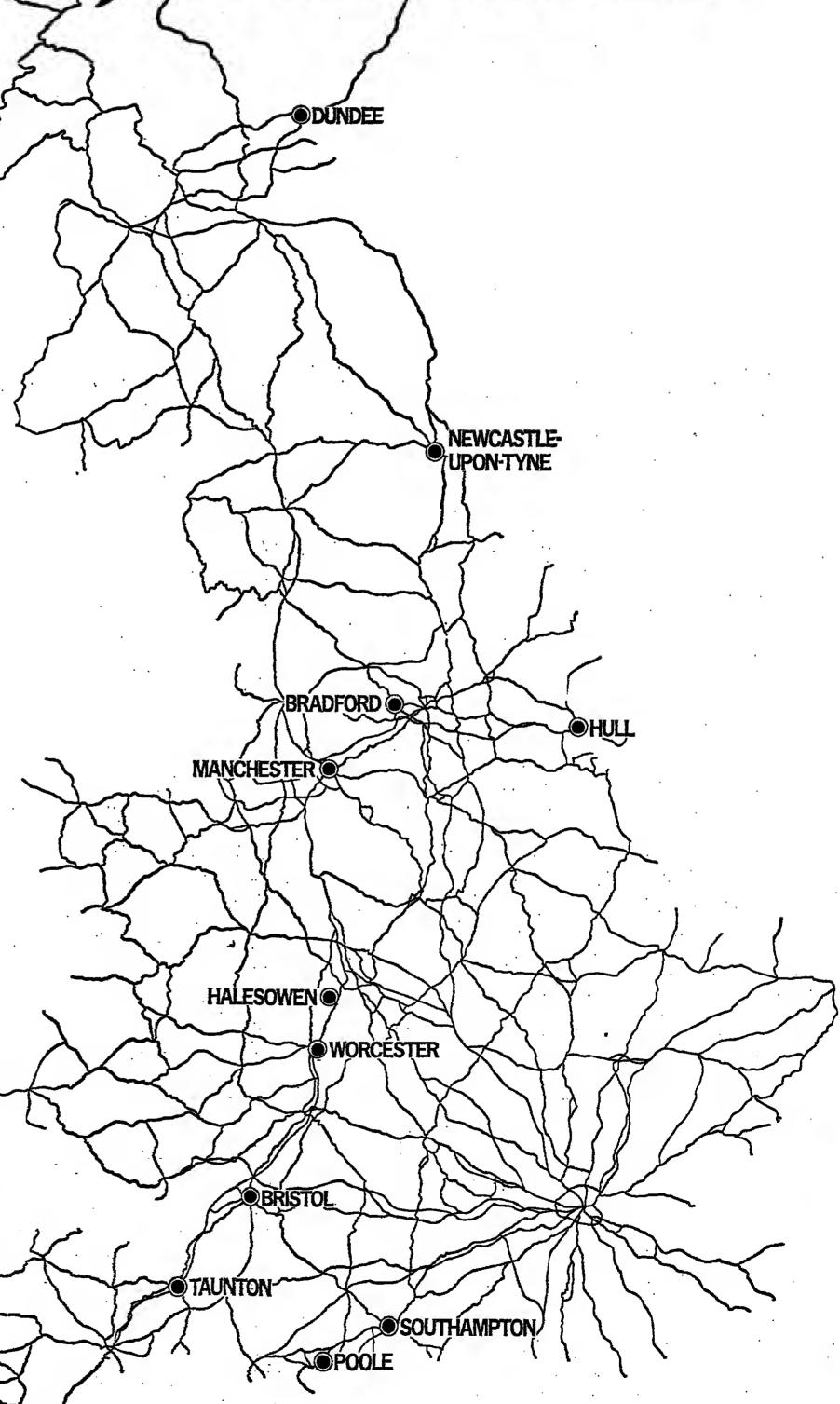
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## Labour pains in opposition

BY PETER RIDDELL

rather than just under six administration would have months. There was nn sugges had to review its plans lim of even the smallest con for a 2 per cent annual tinuity between the ecunomic growth in expenditure. strategy of the Callaghan have to face the unpalatable administration and that of the fact that with, at hest, low rates present government. According to the broadcast everything has gone wrong in the past few sary."
months thanks to Mrs. This does not, of course, mean Thatcher's monetarist policies: the only answer is expansionist policies with further public spending and subsidies.

policies—far from it. There are a whole series of differences a whole series of differences for inslance, the culs in the

#### Ex Ministers

This view was hardly surprising from two of the participants -Miss .lo Richardson and Mr. Austen Milchell — since neither had, in say the least, ever been prominent supporters of Mr. Healey's economic policies. But the support for this thesis from Mr. Rny Hattersley is harder to judify or to recuncile with his comment two days later that: "I do noi believe that exministers, only a few months away from office, should pretend that they have already rethought or rewritten the poli-

cies of the previous five years." In practice, however, a large part of the Lahour Party is trying not only to rethink policy but also in forget what the previous policies actually were. There are similarities with the widespread Lahour lendency in the early 1970s to distance the party from the policies of Mr. Roy Jenkins when he was

But the world did not suddenly change on May 3. The economic outlook was far from rosy hefore then and there is more continuity in economic strategy than either party would probably wish to admit, Mr. Healey's monetarism may have been of an Idiosyneratic kied which was uosatisfactary to the purists—though la this area there are no infallible guidelines. But in his last twn priority to the achievementmixed success -- of his monetary target, at the cost both of twice allowing the exchange all the lessons of the past five of high nominal interest rates. Neither a strong pound nor a Rate are exactly Tory innova-

Moreover, the Healey Budget that was never delivered (his seventeenth) would have reined back public spending, admittedly plausible allernative governby cuts in financial transactions ment.

† Indicates programme in

in black and while

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9.05 am For Schools, Colleges.

ANYONE WATCHING last and by freezing part of the conweek's Labuur Party political tingency reserve. And, as Mr. brnadcast could be furgiven fur Joel Barnett has been about the believing that the party had only person bonest enough to heen nut of power for six years admir, a re-elected. Labour of comomic growth, public spending cuts will he neces-

> that cither Mr. Healey or Mr. Barnett agree with Government higher marginal rates of tax, the increase in Value Added Tax to 15 per cent, the relaxation of exchange controls and, most significantly of all, the scale and emphasis of the public spending review. But criticisms of the distribution of spending cuts are not the same as pretending, as most Labour spokesmen do, that

cuts are unnecessary. The widespread myopia shout the economy has been clearly shown in some of the recent big "theoretical" speeches by contenders for the leadership. In his Phillips lecture in the U.S. last month Mr. Peter Shore condemned monetarism and argued oil consuming countries should respond to higher nil prices by maintaining demand and accepting the consequent trade deficit. But these were exactly the policies which Mr. Healey attempted in 1974 and which resulted in the 1976 crisis. As Mr. Gordon Richardson said last week. Britain is no Innuer free to choose hetween defeating inflation and satisfactory growth. "Inflation has got far too serious. Until we have 201 inflation under control, we cannot secure satisfactory economic growth."

#### Plausible

About the only Labour leader even partly to recognise this point has been Mr. Denis Healey. His Sara Barker years Mr. Healey did give high Memorial lecture in Leeds was a comprehensive statement of Healeyism (warts and all) and showed that he has not forgotten rate to float freely upwards and years. Yet at present he appears to be in a minority in recognising that monetary policy bas a 14 per cent Minimum Lending key role in any economic Rate are exactly Tory innova- strategy. Nineteen-eighty four and an election may seem a long time away but Mr. Healey and his supporters bave a lot to do

## Sowing your wild oats with care

one comes with your new house. They see it as a curiosity, of a piece with a monkey puzzle lree and no heller suited to the small space into which it is usually cramped. I disagree. Pampas grasses self heavily and calch the imagination at this time of year. Their admirers burn them, it is true, but only in spring when old clumps are better for the removal of their top growth and the dead stems of their plumes. A benevolent bonfire helps them along into the new season. If you see a man put a nistch th one in March, be is not setting out to destroy it.

#### New varieties

This year, there is some news in this old and respected family. New Zealand gardeners are enlivening our large foliage plants with new varieties and wbatever you think of the new pink bronze, yellow and striped sorts of phormium or New Zealand flax. I think you should take a cinse look at their pampas grass called gold band. The leaves are dense and thin. but arch out into a great clump of gold and green. This is height throughout the main season, too hright, perhaps, unless you plan how to tame it

leaves. It joins the cut-leaved golden elder and the golden orange blossom as a strong clump of gold-yellow which can be toned down with cool limegreen and whites. I expect we will see it among the golden heather and blue-grey conifers in small front gardens where its size and strong colour are bardly at home. It needs space. as the grey white plumes of flower will reach seven feet. It is a bright plant, so you must plan how to place it. But it is not an ugly one and at £2.50 a time for small plants from Bressingbam Nnrseries, Diss, Norfolk, I would commend it to

Pampas grass, my nearest catalogue remarks, will tolerate full coastal exposure and survive on sand dunes and in brackiab swamps. This odd mix-ture of tastes is true. By the sea, it looks almost too inevi-table, the sort of stiff shape and arringy leaf which reminds you that the seaside is full of cold winds. In a damp place, beoide water, it can be spectacular. Again, you have to be sure that it fits in with your surrounding shrubs and hardwoods. I can see no point in a small pampas grass. There is one which is praised as a dwarf, no less, but igor hears thick plumes on short might

clump as thick and tall as possible.

In the great natural gardens of Sbeffield Park it is well placed beside water in which its plumes are a far finer colour, a silvery while, not the grey which matches a dirty squirrel's are reflected in autumn while tail and appears on unnamed

#### **GARDENS TODAY**

BY ROBIN LANE FOX

them. Some of you may think that pampas grass and the trunks of silver birch are by now too familiar a pair, known all over Surrey. If you leave out the beather, I think them a pretty pair, both well suited to a damp place.

Good thingo have been said about a combination beside water of a tall pampas grass and the largest red hot poker, sold as kniphofia prince igor. This poker is a strong red-orange and reaches a beight of seven feet if it is in the damp soil which makes it bappy.

Red hot nokers are a subject on which I part company with other fussy gardeners. I think they are splendid, though prince igor and a pampas grass be too much for

the trees begin to colour round stock. Pampas grass is a large and permanent plant. Be sure that you have room for it and under the name cortaderia, buy the best.

#### **Ouick** growth

Other grasses are every bit as good, you are unlikely to see best of them. For height and quick growth. I am attracted by another new variety available through Brcssingham, a German development from the gigantic miscanthuo grass whose relations grow up to twelve feet and form a windhreak as lough as maize.

less coarse than the extraordinary sugar-cane variety in . the family which is still the fastest screen to a height of ten feet between gardens or vegetable plots. In the autumn. these tall grasses die back and I hope, will have a good Brilioh future to add to its success in German trials.

At a lower level, there is a new grass in the garden centres which I tried by mistake and dislike. Carex evergold is helped by its publicity more than its appearance. This relotion of the sedge-grasses ta a small plant for an edging where it keeps its leaves throughout the year. But it looks like some liste Victorian houseplant taking 8 hreather from life in a glass bottle. The dark green leaves are thin and have a wide canary yellow stripe down lbem. They are hright enough in winter, but texture and appearance are against

them. For a low golden grass, I know nothing half so good as the bowles golden grass, milium

WHEN SHOULD you set fire to I think that gold band will stems and is a dirty grey-white. some. The pampas grass, grey-green leaves and an is better suited to a grass's and an is better suited to a grass's the pampas grass. There are some find a good bome in those who would say as soon as post fashionable borders of lime grass should stand in a big named sunningdale silver from plumes at a height of seven or wisley, where bowies corner green and yellow flowers and an is better suited to a grass's some. The pampas grass, grey-green leaves and an is better suited to a grass's anyway, should be the abundance of tall silver-white leaves. You can check my named sunningdale silver from plumes at a height of seven or wisley, where bowies corner green and yellow flowers and an is better suited to a grass's anyway.

#### **Border fit**

Perhaps you like the idea of a grass as it sounds easy (affer bit, the wretched stuff grows all have to be felled. But they are summer to exhaust us), but feel fine plants and silver feather, that these are too large for your garden. Hore, I would turn from pampas-style plumes to a fine strain of oats. The metallic blue-grey avena candida is what garden centres, no doubt, would call "everblue" like some propic's jokes. Its leaves last all winter, but even in the exolted company of New's border of rare grasses, il seemed to me this summer to be among the best. It sends up arching stems with heads of pretty flowers in early summer at a height of 3 ft or so.

You can fil it into almost any border, from whose front a group of these flower-stems will bend elegantly forwards. When they are gone, you still have the steel-bluc leaves, rather better than the tufted festuca which is thrust nn us by civil landscape architects. It is cheap, easy and original. If you place your wild oats carefully, in the gorden too you will be pleased to live with the results.

## Hobbs' choice is a good one

IN THESE last weeks of the flat racing season, with coughing of the vitus rife in many stables, the form book is often

of little use. However, two trainers who seem to have kept clear of trouble are John Dunlop and Bruce Hohhs. Bnth are repre-

#### RACING

BY DARE WIGAN

sented in the Trafalgar Handicap (3.10) at Sandown loday. Dunlop bas done particu-larly well with Lanarkland, the Duchess of Norfolk's grey gelding, which bas won three bandicaps. Even with a 5 lbs penalty he is sure to go close this afternoon. I am doubtful, however, about

his ability to concede 9 lbs successfully to Spithead Review, a colt by Daring Display, trained by Hobbs. The colt bas been working well at New-market and may have henefited if Labour is to appear a from its race at Brighton three 10.50 Parkinson and guests.

weeks ago when it was second Buswarp Stakes t2.451.
to Eddie. Clearly Hill's Trixie is nothto Eddie.

Polly Packer, owned by Mr. by him at Beckhamplon, is a no consistent filly hut always seems to find one or two too gond for her. She deserves o win and may do so in the Milre Plate (2.00). Benny Lynch, runner up to

Second Event in a high-class selling race (the winner was hought in far 7.800 guineas) at Sandown al the beginning of September. looks the pick of the weights in the Owshott Nursery Handleap (3.40). Nursery Greatham House though no match for Sea Pigeon the other day, may have the edge over Galaxy Libra in the Final Stakes (4.10). Earlier in the afternoon, the

Granhy Stakes (1.30) ought to be won by Eyelight, who put np a brave fight against Tyrnavos at Ascot on September 28.

It is surprising to find a filly who cost 36,000 guineas as a yearling contesting a maiden race at Redcar, but, Michael Stoute has elected to send Hill's Trixie up to Yorkshire for the

ing like as good as her price Herbert Blagrave and trained 122 suggests, but she ran by no means badly behind Bay Street at Newbury last month and again benind Swift Kiss at Warwick, eight days ago. She ought to be up to today's task.

Cudgel, three times a winner nver the course, has been running well of late and may provide the answer to the Autumn Handicap (3.05), though Miss Pudge, who won the corresponding event last year, is an obvious danger.

Schwepperusschian can defy top weight of 9 st 7 lbs in the Rosedale Nursery Handicap

> SANDOWN 1.30—Evelight\*\*
> 2.00—Polly Packer
> 3.10—Splthead Review

3.40-Benny Lynch\* 4.10-Greatham House REDCAR 2.45-Hill's Trixle\*\*\*

3.15-Cudgel 4.15-Schwepperusschian 4.45-Circuit Judge

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era. Fourth great year. WYNDHAM'S. From 8 am Heel. Sals. 836 3028. CC 378 E565. Opening Tayl at 7. Subs. Eves. 8. 31.7. Subs. Eves. 8. 32. ALEC MCCOWEN. PENELOPE WILTON A New play 8y 6rian Thompson Directed by Ronald Evrs. WYNDHAM'S. Evrs. 0. am play 8. Sals. 9. Co. 10. Sals. 10. Directed by Ronald Evrs:

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4 th Theatry, Ea

ABC 1 & 2 SMAFTESBURY AV 838 8861 SCD. CSMS. ALL SEATS BKBLE 1: THE IN-LAWS (A). WK. and Swn. 2.01 5.00 810. 2: Returned by Public Demand. TRE S.00 8 10.
2: Raturned by Public Demand. The DEER NUNTER (X). Wh. and Sun. 2:13 7.30. 70mm Codes Steree.

CLASSIC 7, 2 3, Haymarker IPricanlily Circus tubel. 01:639 15:7.
1: Peter Beogninovich's Salest Jack IXI Progs 1.05. 325. 550. 8:15.
2: J. R. R. Tolkinn's THE LORIS OF THE RINGS IAN Progs. 12 30 3:05. 5:40.

- **ACROSS**
- 1 Fail to remember counterfeit letter (6) 4 Rahbi: scrap seen in tea-
- party (3-5) 9 Saunter to clergyman with French article (6) 10 Favourites return with a II Brand to set aside (7) cross on the threshold (8) 12 Worker I surpass has a dis-
- 13 Influence of single politician with a dccree (6) 15 Nothing in hundle but dye

18 Diplomatic minister and a

- hroken rod (10)
- second-hand (4) 25 Rotten cast get free (6) 25 Dull as a stage-manager may 27 Rclease broken nut with
- anaesthetic (8) 28 Soundness found in the Althing (6) 29 Shipper without beer (8)
- 30 Bloom seen in river? (6) DOWN 1 Polecat suitable to munch
- 2 Superfluous socialist and German worker (9) Confection I clear out (6) 5 Well informed about being

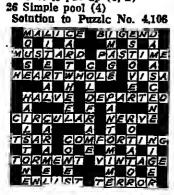
on top (4)

- 6 Leading doctor in woodland 7 Tug at compound like rubber
- point about the thorough fare (7) 14 Great crowd I have to follow 17 Forbid leading hooligan to

8 Barman bas to come to a

- come in and desecrate (S)
  18 Silver paper thrown away is sparkling (8)
  19 Catch the officer on the river Frenchman fish with a 21 Communist turning up with
- internal irritation for a 19 Spiteful woman, the great
  "I am," is to get up list (10)
  20 Was accustomed to the

  19 Spiteful woman, the great
  Trencher (7)
  22 Severe test for some French
  in examination (6) 24 Cast to put up (3, 2)



- Play Schmil (as BBC 2 11.00 am). 4.20 Pixie and Dixie. 4.25 Jackanory. 4.40 Tazzan, Lord of
- 6.45 Angels. 7.10 Star Trek.

10.00 Sportsnight.

11.25 Ynti and Me. 11.40 For X00 Mastermind. Schools, Colleges, 12.45 pm News, 8.30 Terry and June. . 1.00 Pehble Mill of One. 1.45 9.00 News. Over the Monn. 2.01 For Schnols. 9.25 The Risk Business. Unlleges, 3.53 Regional News for England (except London), 3.55

the Jungle. 5.00 Junn Craven's
Newsround, 5.10 Grandad.

5.46 News.

5.35 Nationwide (London and Smuth-East only).

All Registry
Scotland—12,40-12,45 pm Scottish News.

5.55-6.20 Reporting
Scotland. 10.00-10.50 European
Sportscene. 11.50 News and

Weather for Scotland. 6.20 Nationwide.

Wales — II.02-11.22 am I Ysgolinn. 5.05-5.40 pm Bilidow-car. 5.5-6.20 Wales Today. 6.45 Ileddlw. 7.05 Pawh Yn El Fro. 7.35-8.00 Angels. 11.50 News and Weather for Wales. Northern Ireland—3.53-3.55 pm Northern Ireland News, 5.55-6.20 Scene Six. 8.30-9.00 Spotlight on

Northern Ireland Affairs, 11.50 News and Weather for Northern Ireland. England-5.55-6.20 pm Look F.T. CROSSWORD PUZZLE No. 4,107

BBC 2

East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight

Sonth-West (Plymouth).

10.20 am Gharbar.

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693kHz/433m 909kHz/330m & 88-91vhf stereo

John Peel (S) 12.00-5.00 am As Radio 2. WHF Radios 1 and 2—5.00 am With Radio 2. 2.00 pm Listen to the Band (S) (continued from Redio 2]. 8.15 The Magic of the Muelcale (S) 2.02 Green On . Berlin; Benny Green telka about Irving Berlin (3). 9.55 With Redio 2. 10.00 With Redio 1. 12.00-5.00 em With Redio 2.

. RADIO 2

11.02 arien Matthew with Round Midnight, including 12.00 Naws, 202-5.00 am You and tha Night and the Music with Richard Clega (S).

RADIO 3

E.55 em Weather. 7.00 News. 7.05
Your Midweek Choice: Record Requests, part 1 (S), 8.00 News. 8.05 Recorda, part 2. 9.00 News. 8.05 Recorda, part 2. 9.00 News. 5.05 This Weok'e Composer: Feuré (S). 8.55 Music for Organ (S). 10.35 Overek and Mertinu plono recital (5). 11.15 City of airminghum Choir concert, part 1 (S), and the Record Requests. 1.00 pm News. 1.05 Concart, Heil (S). 2.05 Music Weakly (S). 2.55 Deuble-base recital (S). 3.40 Liazt concert (S). 5.25 Homeward Bound (S) including 5.45-5.00 News. 0.15 Age (S). 2.30 Six Continents. 2.50 Boulaz and the BBC S0, part 1: Boulax (S). 2.30 Six Continents. 2.50 Boulaz and the BBC S0, part 1: Boulax (S). 2.30 Six Continents. 2.50 Boulaz and the BBC S0, part 1: Boulax (S). 2.30 Six Continents. 2.50 Boulaz Contant: pertrait of Joha Iraland (B). 10.30 John Iraland: Cello Bonata. 10.55 Show (S). 2.00 am Grehem Usine's Breakfdat Show (S). 2.00 am Grehem Usine's Lefe Show (S). 2.00 am Usinean Johnson's Night Pight (S).

BBC Radio London: 1458kHz 206m, & 94.9vhf Capital Radio: 1548kHz, 194m & 95.8vhf London Broadcasting: 1151kHz, 251m & 97.3vhf

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BEST PLAY OF THE YEAR
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11 Woody Allon Royal R. babel
12 Woody Allon A. 50, 7 634
12 50, 20 0.4 50, 7 634
12 50, 20 0.4 50, 7 634
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12 12 50, 20 0.4 50, 7 634
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1.45 6.10 9.35.
16 FOREIDGE (A) TO RUSSIA WHY
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CLASSIC Leicothy Subse. 930 6115 CLASSIC, Leicenter Schare 930 6113 David Carradhe DEATHSPORT 20-12 05 3.10. 0.15. B.20. DYNANTE WOMEN (X). 1.30. 4.35. 7.40.

هكذامن الأصل

11.00 Play School. 6.20 pm . Snooker: State Express World Challenge 11.50 Weather/Regiocal News. All Regions as BBC 1 except at Cup. 7.20 Mid-evening News. 7.30 Rouo dabouts.

8.90 The Book Programme. Churches. 9.00 M\*A\*S\*H. 9.25 Ripping Yarns.

9.55 The Camerons. 10.50 Snooker highlights. 11.30 Late News on 2. 11.40 Grapevine: Is Industry Coming Clean With You?

**PTV REGIONS** . 5.45 News 6.05 The Muppets

6.35 Crossroads 7.00 George and Mildred : 7.30 Coronation Street 8.00 3-2-1 9.00 Quatermass

10.00 News 10.30 Feature Film: "China-town" starring Jack Nicholson

Radio Wavelengths 1053kHz/285m **7** 1215kHz/247m 1089kHz/275m **9** 4:90-92.5vbf ste

RADIO 1 (S) Stereophonic broadcast
3 Medium Wave
5.00 am As Radio 2 2.00 Osvo Lee
Travis. 9.00 Simon Batea. 11.31 Paul
Burnett. 2.00 pm Andy Peebles. 4.31
Kid Jansen. 7.00 Radio 1 Mailbeg.
3.00 Miko Reod. 9.50 Newsbeat. 10.00
John Peel (S). 12.00-5.00 am As
Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Tooy
Brandon (S). 7.32 Torry Wogen (2).
10.03 Jimmy Young (S). 12.10 pm
Waggonors' Walk. 12.30 Pete Murray's
Open House (S). 2.13 Oavid Hamilton
(S). 4.15 Much More Music (2). 0.00
News. 5.05 Waggonem Walk. 5.20
John Ouan (3). 2.45 Aports Cesk.
7.02 The Orgenist Entertaino (O). 7.30
Listen to the Band (S) (continued on
VHF). 6.00 European Soccar Special.
6.30 Green on Berlin (S) (joins VHF).
9.55 Sports Oesk. 10.02 The News
Huddlines with Roy Nudd. 10.30 Hubert
Gregg says Thunke for the Memory.
11.02 Grien Matthew with Round Midnight, incloding 12.00 Naws. 2.025.00 am You and the Night and the
Music with Richard Clegg (S).

RADIO 4

B.00 am News Brisfing. 6.10 Farming Toddy. 8.25 Ahipping Forecast. 2.30 Toddy, including: 0.45 Prayer for the Oay: 7.00, 0.00 Todgy's News; 7.30, 2.30 News Headlines; 7.45 Thought for the Oay: 7.00 Prayer for the Oay: 7.00 News. 10.05 Gardendrs' Ouestion Time. 10.30 Colly Service. 10.46 The Small Back Room. 11.00 News. 11.05 Baker's Ozen. 12.00 News. 11.05 Baker's Ozen. 12.00 News. 12.02 pm You and Yours. 12.27 The Small, Intricate Life of Gorald C. Potter. 12.55 Weather; programme, news. 1.00 The World at Oas. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Women's Hour. 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre. 4.00 Chorsi Evansong (3). 4.45 Short Story. 5.00 PM News. 5.55 Weather; programme news. 6.00 News. 3.03 My World (5). 7.00 News. 7.05 The Archers. 7.20 Checkpelint: 7.45 "The Case of Leon Troisky," play by Robert Wistrich. Oavid Boblno (2). 2.45 File on 4. 9.39 Kelcidoscope. 5.59 Weather. 10.00 The World Tonight. 10.30 Transallantic Ouiz. 11.00 A Book at Bedilme. 11.15 The Financial World Tonight. 11.30 Today in Porliement. 12.00 News.

BBC Radio London 0.00 em As Radio 2. 8.30 Rush Hour 10.03 The Robbio Vincent Telophone

Capital Kacio
5.00 am Grèhem Linne's Breekfdat
Show (S). 9.00 Michael Aspel (2).
12.00 Dave Cash (S). 3.00 pm Reger
Scott (S). 7.00 Lendon Todey (S).
7.30 Adrien Love's Open Line (S). 9.00
Nick Home's Your Mether Wouldn't
Like In (S). 11.00 Teny Myati's Late
Show (S). 2.00 am Iluncan Johnsoe's
Night Plight (S).

CLASSIC POLY, 63° Orders Cream (Upper Regent Street), 63° ORG , Mark Hend Alec Golineus STAR WARS (U. Pogt 7-25, 5.05, 7.30 Cinemas are continued on Page #

#### THE ARTS

## Three worthy warhorses

by CHRIS DUNKLEY

shong the best and most from the script writers, not the which was also very wry and constent of BBC programmes readers. which was also very wry and funny, "The God Smugglers" are hose which supplement the new Series such as Horizon, Spotsnight and Everyman abut their special subjects-in tirse particular cases science, sprt and religion—in a way which is peculiarly well auited

Each produced a programme last week which was fairly typical of its series; not outstanding examples, just the sort of what Horizon does so well of thing which they make week and what editor Simon in, week out, year after year. Campbell-Jones presumably sees

of since each of the week's fogrammes was highly professional and continuously watchbe that says a lot about the meral standard. Few other television services snywhere in the world have even one series. the world have even one series which begins to compare, let

Which is not to say that they are perfect. Horizon is a little oo keen on a Voice-of-God style vhich presents as unquestioned sci some aspect of science which may turn out, when you neet experts on the subject, to e riddled with disagreement ind controversy.

For my taste Sportsnight vastes far too much of its time in soccer and the insufferably oring men who mismanage the

Everyman could devote less time to sociology and more time to the nuts and bolts of religion gods, faith, sfter-life and so on-and find more time for non tbesists such as humanists. rationalists and sgnostics. Their wiews on spiritual and moral would never hope to ge matters have been virtually BBC news programme. Ignored by the BBC ever aince Harry Carpenter, on 1955 when Margaret Knight scared the staff witless with two

Yet it is the achievements of archive film to show the skinthese series and not their faults colour prejudice which has been which are most impressive, such an ugly aspect of boxing spectrum of the arts, partisirens just audible in the backWhatever the shortcomings of over the years. The report was occasional Horizon scripts the a precursor to the Coetzee-Tate events, is often ignored by televoice which reads them is, more of the arts, partisirens just audible in the backcularly in terms of topical ground in every episode, like events, is often ignored by televoice which reads them is, more of the arts, partisirens just audible in the backcularly in terms of topical ground in every episode, like events, is often ignored by televoice which reads them is, more of the arts, partisirens just audible in the backcularly in terms of topical ground in every episode, like events, is often ignored by televoice which reads them is, more of the arts, partisirens just audible in the backcularly in terms of topical ground in every episode, like events, is often ignored by televoice which reads them is, more of the Coetzee-Tate events, is often ignored by televoice which reads them is, more of the Coetzee-Tate events, is often ignored by televoice which reads them is, more of the Coetzee-Tate events, is often ignored by televoice which reads them is, more of the Coetzee-Tate events, is often ignored by televoice which reads them is, more of the Coetzee-Tate events, is often ignored by televoice which reads them is, more of the Coetzee-Tate events, is often ignored by televoice which reads them is, more of the Coetzee-Tate events is often ignored by televoice which reads them is, more of the Coetzee-Tate events is often ignored by televoice which reads them is, more of the Coetzee-Tate events is often ignored by televoice which reads them is, more of the Coetzee-Tate events is often ignored by televoice which reads them is not the Coetzee-Tate events is often ignored by televoice which reads them is not the Coetzee-Tate events is often ignored by televoice which reads the coetzee-Tate events is often ignor Vsughan, a man whose diction is a model of clarity, sensible pronunciation and sane emphasis. Ererymon under editor Vaughan's vocal interpretation William Nicholson has recently of the scripts is of incalculable delivered a whole string of crisp importance to Horizon's credi- and highly informative profor the failings which come

Vaughan narrated last week's programme. "Dragnet For the Iron Curtain, which for Diabetes," which was written me, anyway — was revelatory, and produced by Dominic Fles- and last Sunday "The Synaoon Spotsuight and Everymon Diabetes," which was written convey up to date information and produced by Dominic Flessati. Before reviewing modern advances in the research and treatment of the disease Fles-sati provided exactly what all non sufferers needed: a graphic and simple film showing what it means to bave diabetes.

It was an admirable example though they do unfortunately as his purpose; to tell the lay-sappear for seasonal "rests." man where today's science is ad since each of the week's going. It is one of the few areas of information where television can claim superiority over general interest newspapers. and one of the reasons may be that much of Horizon's work is well suited to pictorial explanation. We sre all too blase now about sequences, such as last week's abowing a surgeon aiming a laser st a patient's eye to cauterise blood vessels in the retina and then switching to a sbot of the effect inside the eye-

> Sportsnight also provided some magnificently exciting film, this time from a motorcycle race at Oulton Park. Producer John Philips used the occasion to investigate the current disagreement between top riders and the organisers over prize money with inler-views on both sides and even a word from Geoff Duke. Though certainly not exhaustive it was the sort of report which must have put countless casual followers of motorcycle racing in the picture; a picture they would never hope to get from a

Harry Carpenter, one of the most relaxed, pleasant and knowledgeable anchormen in Home Service talks called the business, followed that with Book "Morals Without Religion." an eye-opening sequence using (from would rarely if ever get into an actual news programme.

Ererymon under editor

about sneaking bibles through Story." This again was a useful reinforcement to the news; it began where the stark news items finished with bizarre stories of rattlesnakes in letterboxes and million-dollar law

suits, and went on from there. Series such as these go far towards collifying the claim that television bas "a bias against understanding." An in-teresting factor common to the three subjects considered bere, bowever — science, sport and religion — is that all three are covered to some extent at least by specialist reporters or correspondents in television news. Other subjects which command even more specialist attention from news programmes — poli-tics, economics, commerce, industrial relations — also com-mand even more attention from specialised series.

But there bas slways been one sbameful omission. Though television news ostensibly deals with the entire gamut of human experience and endeavour, for reasons best known to the BBC (sheer philistinism?), in common with ITN it has never inevitably mean the offer of a appointed a single arts reporter. number of plums straight away appointed a single arts reporter. never mind a proper team of correspondents. The arts get into the news mostly in terms of correspondents. The arts get enticing) it seems doubtful that into the news mostly in terms of they will manage to provide money: £3.5m New Lyric anything capable of entirely filling the gap left by BBC 2's Auction, and so on. And that Tinker, Tailor, Soldier, Spy. may explain quite a lot about Mainstream.

music and arts department that follow a single minute. while that fraction of the population comprising opera and the serial bas the same sort of ballet lovers is now pretty well satisfying logic and symmetry served by television, and The as a good crossword or a Bacb Book Programme and Film 79 suite. Enjoyment sprang not (from Presentation Departius; from a strong main theme ment) cater for two other hut almost as much from the special interests, the brosder accumulation of detail: the programmes but actually doing of Hepton's camp Esterbase; the going on further.
The trouble was that instead

of simply re-launching Line Up which anyway should never bility. And he cannot be blamed grammes, the last three being have been scrapped, or—even truly memorable drama serials for the failings which come "The Buddha Comes to Sussex" better—giving the budget to I have seen in 10 years viewing.

Alan Yentoh and telling him to treble the output of his excellent Arena series (which has often been as good as Horizon, Sports-night and Everymen in its own area) Tony Palmer was allowed to revive that dreary notion from the silly Sixties that for gritty reality you have to go to

t'provinces.

There might be some point to

this if television were to serve its function in overcoming distance by offering to Scots, say, a substitute visit" to some Bangor exhibition they would never actually get to. or giving Londoners a clear idea of what is bappening in a new Leeds fringe theatre, assuming there was real merit in the events. Two or three such items per programme would be plenty. But lo transmit a national provincial electronic Time Out is pointless. Who in Truro needs or wants television to list the opening date of a steam exhibition in Manchester? Palmer has already left the series. The need now is for Burton tn ensure that if a model is felt to be necessary it should be Sportsnight rather. than Nationwide.

Although ITV's keenness to win back an sudience will (the very word Quatermass is Goodness knows what all the inverted snobs will do now that It seems that it finally they can't spend the week dawoed on Humphrey Burton's boasting about their inability to

Seen as a whole in retrospect their job for them and then night-for-night photography (ex-going on further. cept for a few borribly artificial car interiors); the constant impinging of the English weather, and so on: one of the

New York City Opera

#### Los Angeles as Carmen by Andrew Porter

Once the New York City Opera's orchestra and management bad composed their differences, the season resumed with the new production of Folsioff (which Nicholas Kenyon will review), and then continued with Carmen and the first Street Scene and first Rigoletto of the season, all within three days. Over the weekend (the City Opera plays both Saturday and Sunday matines) I saw all four productions. What a good orchestra the company has. It played all four scores not just ably but with lively feeling for dramatic phrasing and colour.

Victoria de los Angeles was Carmen. Although she recorded the opera with Beecham and Gedda 20 years ago, she sang it on stage for the first time only last season, in Newark. New Jersey. The City Opera Carmen was her first appearance on the was her first appearance on the New York stage for 18 years. It would be idle to pretend that anything much survived of the voice that in the 1950s and 1960s was the most beautiful of its day. In recital, when Los Angeles sings softly in the middle ranges, the old appealing quality can still be glimpsed: in the State Theater, she produced enough volume to fill the hig house, but at the expense

Anything from E upwards was lisble to be attacked flat, and even some of the lower notes came close to cracking: The vocal mechanism was too unreliable to permit the delicate, flickering effects that light her recorded performance. Her interpretation was insistent, very thorough; I don't think I've ever beard a Carmen quite so determined to make every syllable tell. It certainly beld the sttention.

José was a young American tenor. Riccardo Calleo, who won good reviews in Opera last year for his Riccardo and Nemorino King's Head in Innsbruck, Beverly Sills, the City Opera's new director, has announced ber wish to make the company "bome" for the best of the young American singers now working abroad, and Mr. Calleo is a find. The voice is pure, bright, and powerful. His phrasing was smooth and full, and he used French as if be believed it to be the most beautiful of all singing lan-Micsela. Gwenlynn Little was almost too vigorous and viva-cious, but it was good to hear

are wellworn repertory produc-tions, but scenically they are more picluresque, appropriate and effective than the eccentric stagings on show at the Metropolitan this season. Both shows suffer from the footish producers' fashion for adding "cameo" chorister business to catch the eye and distract the attention while the principals are singing, but in both the essentials are right and the trimmings could be righted.

Rigoletto was revived in a text purified by a suggestion from Martin Cousid, who is editing the score for the Verdi complete edition. The most noticeable change is that in the coda to "Caro nome" the twice-

proved to be right.

tone B, doesn't rise to E on the last syllable. In the autograph. Mr. Chusid tells me. Verdi himself carefully made this change, although it dido't get taken into any of the printed editions. Mr. Chusid has also discovered that, before the Venctian ceosors got to work, the Duke on his arrival at Sparafucile's den ordered not "a room and some wine" hut "some wine, and your sister." That's exsetly what Sadler's Wells/ENO Dukes have been ordering for the last 12 years. My guess at what the original text must have been has

Scene from Act 2 of 'Carmen

the house, remains on a mono-

murmured "Gualtier Malde," as the Duke was Micbele Molese. an impression as ever.

Gilda goes up the steps and ioto and Rigoletto was Pahlo Elvira (who made an unscheduled Me) debut two days later, slepping into Cav and Pogi. All three gave sound, traditional performances, and Elvira's was distinguished by a voice of uncommon beauty which remained full, smooth, and powerful right to the end of the murderous

role. "Broadway opera," is one of the company's high achievements and one of the most lmportant operas, musically and socially, in the New York reper-tory. But I said all that last season when it was first revived. proved to be right. Conducted again by John Glida was Mariana Niculoscu. Mauceri, it made as powerful

#### Twofers by Michael Coveney

Wye's lunchtime Angela triple bill for two players arrives with lbe unpromising guages (which, of course, it is for 1978. The sketches are when it is beautifully pro- predictable, cliché-ridden twonounced: Ilsten to records by handers that are especially dis-Croiza, Plancon, Vanni appointing given that, five years Marcoux). Avoiding a milksop ago. Miss Wye had the wherefore to write a pretty accomthe aria so fully sung.

Both Cormen and Rigoletto drawer stuff.

The first sketch is particularly the analyst's clothes, lesving bul leaves without taking it. The letter is thrown to the floor Andrew Knox, who also by the man in a sardonic appears. His other half is gesture of dismissal, Next, at Leslee Udwin, an obviously a psrty, a oaked girl cowers versatile and vivacious Israeli

pointless and unfunny. A female their owner in his underpants. drudge and a pipe-smoking And, finally, an unlikely blind boast of scooping the joint Scot peruse the lonely hearts date situation is revealed to be runner-up prize in the South columns in a station waiting a revenge plot by the girl's East Arts Robert Morley Award room. The drudge pens a reply relatives. The show is directed by

bebind a large plant to the actress who has lately arrived plished short piece al the dismay and emhartassment of here from South Almost Free. I would prefer to an upright systems analyst, sympathise with her involvebelieve that this is bottom- Sexual role reversal is played ment in this sorry manifestatorawer stuff.

Old Vic

## What The Butler Saw by MICHAEL COVENEY

The farce of Joe Orton's extraordinary last play—first produced posthumously and intensitively in 1969—begins with doctor in a private clinic askng a secretarial interviewce to remove her clothes. The girl's mother bas died in a gas ex-losion and has, possibly, taken he private parts of a statue of ir Winston Churchill to ber trave. Orton, dubbed by one ritic "the Oscar Wilde of Velfare State gentility" propeds from there with a dazzling isplay of scrually anarchic onelners and mistaken identity. It t a costume drama in the inerted sense; the apparel does tot usually proclaim the man. Or, for that matter, the woman. When the bizarre antics in the clinic of Dr. Prentice reach apotheosis time.

we have a hefuddled policeman descending on a scene of Euripidean confusion and bloodiness dressed in a leopardskin; an incestuous relationship uncovered hetween an hotel page boy and the doctor's wife (bis mother): and a straight costume swap achieved between the boy and, as it bappens, the girl who came in the first place for the job. She is his sister.
The whole business has been supervised by a Government

inspector, Dr. Rance, collecting ending, material for a Inbricious bestinspector, Dr. Rance, collecting material for a Inbricious bestscller and, in the sbape of Frank
Windsor, assuming an uncanny resemblance to Lord Longford as the evening wears on. This finds a chaotic rhythm in the as the evening wears on. This proceedings that has escaped many producers. He does not, painted in deference to the presence in the stalls of the heleaguered Arts Minister, Court in 1975. Laughter dries

ending.

This deprives us of a glimpse half in and half out of the action. Mr. Windsor is too immersed from his first hectic entrance. Also, one feels that Benjamin Whitrow and Prunella Scales as Dr. and Mrs. Rance however, bind the whole play into a successful whole as did heleaguered Arts Minister.

Court in 1975. Laughter dries sence in the stalls of the beleaguered Arts Minister, Norman St. John Stevas, though



Benjamin Whitrow and Prunella Scales

I have s horrible suspicion that the director. John Dove. bas been cowed somewhere along the line into using Orton'a alternative and bowdlerised

Court in 1975. Laughter dries

up half way through the second balf, chiefly because the aphorisms flourish at the expense of the overall shape. Dr. Rance, for Mr. Anderson, was a lugubrious commentator entrance. Also, one feels that may be because of the imposed Benjamin Whitrow and Prunella pace of the production. I found

petent, is a little too old for the part of the secretary, and Nickolas Grace a little too knowing as the page boy. His, though, is an accomplished performance. I feel that the company feils to straddle the language with the swagger of are denying the comedy life by playing in a manner more suited to Alan Ayckhourn.

Isla Blair, although com-

Arts Theatre, Cambridge

#### Anatol by B. A. YOUNG

a series of independent sketches about a wealthy young bachelor in the Vienna of 70 years ago and bis line of mistresses.

favourita theme of Insincerity in love. I doubt if Anatol speaks a single sincere line throughout the evening, though of course; but since they are all involved in a measure of deceit or they wouldn't be having an affair with Anstol, we must take all right for him to deceive his all right for him to deceive his anything they say with a grain

Unless the cynicism of the whole exercise is made clear

no doubt he sometimes thinks susse Madel from the suburbs. The girls come in every he does. Some of the girls do. must be in love with him if he variety — Natalie Ogle as the of course; bul since they are all chooses that she shall be so. In simple surburban whose fidelity no doubt he sometimes thinks susse Madel from the suburbs,

mistresses with other mistresses, but intolerable for them to deceive anyone but their hus-

whole exercise is made that the more of the start, Analol may seem from the start and the st But it is important to remem- bis own ego, he has more oppor-But it is important to them to them the series and performed the series of them to the series and performed french. Someone has been variety of thoughts, and there. It's no doubt the difficulty of throughout Europe and the U.S.

Schnitzler's Anatol consists of series of independent sketches shoul a wealthy young bachelor in the Vienna of 70 years ago and being the present and bis line of mistresses.

They illustrate the author's avourita theme of Insincerity in love. I doubt if Anatol preaks a single sincere line preaks a single sincere line throughout the evening, though the vienna, whether opera star or hroughout the evening things the vienna, whether opera star or the play being so collecting enough girls that is a danger that when be is collecting enough girls that accounts for the play being so seldom seen. Connoisseurs will find this production worth the this beautiful production under the bilarious and quite unmedicinal.

Nadia Boulanger Nadia Boulanger of the play being so collecting enough girls that accounts for the play being so collecting enough girls that the accounts for the play being so collecting enough girls that the present the may overpower the all-too-familiar Anatol, stanger that when be is collecting enough girls that accounts for the play being so collecting enough girls that accounts for the play being so collecting enough girls that accounts for the play being so

is tested by bypnotism. Kata Fahy as the married ex-mistress shopping in winter snow (the prettiest of designar Bernard Culshaw's lovely scenes, with their Viennese skyline up-stage): Pamela Moiseiwitsch tention of breaking off the rela-

this century, bas died in ber native Paris aged 92.

A composer and teacher of generations of musicians, she was a Grand Officer of the Legion of Honour and received bonorary degrees from the universities of Harvard, Oxford and Newcastle-upon-Tyne. She studied at the Paris

at Fontainbleau in 1949 and



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#### **FINANCIAL TIMES**

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Wednesday October 24 1979

## A bonfire of controls

THE ABOLITION, at a atroke, circumstances cause difficulties in controlling the money supply. It removes an importsnt restriction on the freedom of British savers, and should, slso, and perhaps most importsut in the long run, make it tively clean float, which has now possible for Britain to resume heen UK policy for two years. her traditional role as a capital exporter, as is vital if the windfall of North Sea oil is to provide any lasting benefit to the economy.

#### Cumulative effects

In the short run, the new freedom may cause some sense of dizziness, as was evident in the exchange markets last night. In fact, the main effects are likely to be cumulative rather than sudden. The Budget relaxations, which opened the capital markets of the EEC to British investors, bave already belpel to cause a sharp correction in the value of sterling in the foreign exchanges, and the investment opportunities at present available in a demors-lised Wall Street and in other non-European markets are hardly likely to attract a sudden flood of UK funds.

The timing was no doubt calculated to take advantage of this state of affuirs. Only the re-stored freedom of UK hanks to finance third-country trade is of immediate importance; this is likely, over a period, to lead to a fairly substantial outflow, which will in the end peter out. Unattractive

In the longer run, however, the greater choire available to UK investors, and the free access which should be available for foreign borrowers to the London market, could bave a profound effect. At the moment. again, fiscal crowding out bas ensured that the London market is unattractive to private borrowers of any nationality; but as the Government's fiscal policies begin to blte, and the weight of official borrowing is reduced, funds will become Sea rather than squander them available for other takers. It on artificially cheap imports. is at this point that the absence of exchange controls will really prove its value.

It promises that the effect of the exchange controls which will be s widening of the UK survived the Chancellor's relaxations in the Budget is most welcome. It removes a market distortion which has tended for a long period to keep sterling overvalued, and can in some eliminations and an improvement in the current account of the balance of payments, rather than the wild girations in the UK capital markets and the overvalued, and can in some eliminations are all the sterling exchange rate which sterling exchange rate which have resulted from earlier corrections in fiscal policy.

What the Government has clearly understood is that exchange controls have become therefore, encourage thrift. It a major barrier to national economic recovery. In a relsheen UK policy for two years, the private capital account is virtuslly the mirror image of current account of the halanre of payments. This means that the improvement in the oil account due to rising North Sea production and the maturing of the North Sea spending programme capital could only, in the absence of capital exports, be reflected in a matching deterioration in the nnn-oil account. Our only effective choice was to become uncompetitive through wage cost inflation or through a rising exchange rate. When intervention was used to conserve competitivenesa, monetary control was undermined.

This situation led to a further, profound dilemma for which the Governor hinted st in bis recent Mangon House speech: monetary stringency, operating in a closed canital market, was reflected mainly in the exchange rate, and thus had its main impact on those oo whom our long-term future depends: those parts of industry exposed to foreign competition. This harmful bias should now be much less, since the exchange rate will more readily reflect competitive reali-

#### Initial impact

The Initial Impact will, of course, be unpleasant. Reality is always a shock after a fool's paradise. The fall lo the exchange rate, and the likelihood that the level of interest rates will respond only at a measured pace to fiscal correction, reflect the real fact that we have decided nationally to invest part of the proceeds of the North But for the long-term health of the economy, the news is unconditionally good.

## Dealing with the insider

over Panel first urged that inally screptsble form of legislation could find its way on to the Statute Book in the near future. Insider dealing damages pub-

lic confidence in the capital markets. The self-regulatory bodiea have made valiant efforts to control the abuse when it has occurred, but have had to that it was in their hest interests to co-operate in an investigation. ness, and as such has threatened to undermine the overall authority of the self-regulators.

#### Two explanations

Civil legislation is not a practical atternative. It is not possoile in the UK stock market to which do not take place on a ery precisely who bought what from whom. If it were decided to Ireat the company as the in- away and everything comes gred party, ridiculous accom- under the same net. It was could follow—if, for ln- also proposed that the Departrist of the shares.

There are two explanations or the fact that criminal legis-" is has been delayed for so יריי ואיני. ואיני וא that the last Govrament, and the previous Conmotive administration, gave organy law such a low priority their proposals were held of april they were just about to lose office. The other is that thas proved very difficult to her'd from to punish the guilty with my demaging the innocent. The great worry about the Labour Covernment's propossis in 1978 was that they threatened to cast a shadow over entirely legitimate activites-such as in vestment by directors and employees in the shares of their Althnueh it was re-parised that the legislation and not have been used lightle, there was concern that bonest men would not want to be exposed to the allegation that they had committed an offence won where there was no question of prosecution,

#### Major improvements

The latest draft clauses represent a major improvement in to last year's bill. constitutes inside information. seems to be just about right.

1T IS seven years since the This excludes items of a general Stock Exchange and the Takewhich it would be quite reasonsider dealing in company securi- able for an insider to disclose ties should be made a criminal—about, say, the general trad-offence. At last there is now a ing background. The informa-ressonable chance that a generation has to be specific, confidential, price-sensitive, and not generally known to the people who would be likely to deal in the company's shares. This definition should rev

tainly he wide enough to catch anyone who deals on inside in formation at the time of a take over bid-which is probably the most common form of abuse But It should also be narrow enough to allow innocent investora and their advisers to go about their business in much the same way as in the past.

There are other important changes in the latest set of proposals. The 1978 Bill put for ward complicated and arbitrary rules for those transactions recognised stock exchange. These bave now been swept the wrongdoer held ment of Trade should be able to appoint inspectors with inquisitorial powers to investigate alleged offences. This idea bas

heen forgotten too, Of course there remain grey areas. It will never be crystal clear at what point a matter of a general nature relating to a barrister in the Lynskey company becomes one of Tribunal of 1948, which investispecific importance to its future. However any prosecutions under the proposed legislation will require the prior approval of the Secretary of State for Trade or the Director of Public Prosecutions. That will not be forthcoming unless there is prima fscie evidence of geouine offence.

#### Public reaction

In the next few weeks, the Government will be waiting for public reaction to these draft clauses. If they appear to be hroadly acceptable, they will be hoard of Amerada Hess in the incorporated into the present Companies Bill during Its passage through Parliament.
The chairmen of the Stock
Exchange and of the Council
for the Securities Industry both ssy that the proposals go s long way to meetin- their objections

this and other respects. The Minor points of detail may key feature is their much require amendment. But the narrower definition of what general sweep of the proposals







president of the NGA, cheered after the fisal. Left to right: Mr. Owen O'Brien, general secretary of Natsopa, whose job is being eyed by two of the union's Times chapel leaders; Mr. Les Dixon, agreement; and Mr. Bill Keys, of SOGAT, who adopted the role of peace maker.

## Fleet Street's bloodiest battle

By CHRISTIAN TYLER, Labour Editor

has spent £30m of bis only oil revenues to prove that British newsmanagements cannot laimch a frontal assault against the print unions and wln.

That is not to say that Times Newspapers did not achieve some signal advances in an industry notorious for its high pay and overmanning, where union chapels—office branches —enjoy a power and indepen-denre probably unrivalled in British industry. But the 11-month snspension

of The Times, the Sunday Times and the three Times supplements bas done little to unravel the tangle of union structures and demarcation lines in Fleet Street, or to reassert, in the longer term, the manager's "right to manage." On the wider principles, not least printers control of new technology, the unions are claiming an historic victory.

Indeed The Times' suspension —or lock-out as the unions called it — has served to strengthen the unions' selfconfidence and the prestige of some of those chapel leaders whom the company saw as the troublemakers right from the

#### Chapel power factor

It was on the rock of chapel power that the ship nearly foundered. All throngb the weary months, both before and during suspension of publication, the company was trying to reach agreement both with the unions' national leaders, and with the semi-autonomous chapels in its building. When those outside looked ready to consent, those inside refused.

workers and the machine assistants, were not satisfied. They talk money. When the machine gasp at the size of the manassistants negotiated their inpower reduction eventually conventional standards. They
assistants negotiated their inpower reduction eventually conventional standards. They
achieved As far as can be seen,
cent, depending on whom you
talk to — it became imperative pute looking for sn 18-23 per fleet Street.

Only last Saturday, the union

on manning look uraniant by tary of the NGA, said the union did not rule out flexibility in of labour, but working rotas, the future, "but it is likely to be five or 10 years away."

Only last Saturday, the union

The rectangle of the manon manning look uraniant by tary of the NGA, said the union of labour, but working rotas, the future, "but it is likely to be five or 10 years away."

Only last Saturday, the union

The rectangle of the manon manning look uraniant by tary of the NGA, said the union of labour, but working rotas, the future, "but it is likely to be five or 10 years away."

Only last Saturday, the union for the NGA machine managers

ORD THOMSON of Fleet of Natsopa was matched by has spent £30m of his Natsopa's dismay at the NGA for threatening to bring the whole edifire down and sacrifice the jobs of nearly 5,000 workers. Mr. Reg Brady, father of the Nataopa chapel, was moved however to make a last magnanimous gesture. His members would go back on the old, rates for the time being to allow the NGA time to reassert their pay differential. Yet that differential is becoming increasingly arbitrary: the difference in skill required is said to be minims! these days.

It was just one — alheit the finsl — example of the kind of jealousy that divides Fleet Street, and which was the cause both of the company's desperation and its ultimate lack of

It has been an expensive trial of strength, whose final outcome cannot be judged for a year or acknowledged after the peace treaty was signed on Sunday afternoon. For the moment, the verdict of Fleet Street is that Times Newspspers was forced, ultimately, to cave in. If TNL, with the Thomson millions bebind it, could not change the face of national newspaper industrial relations, who can?

To some extent, the Times was let down by its competitors. Some of those applauding the "brave stand" were quite ready to hire their rival's staff and profit from the gap in the market. Once again It bas been shown that the Newspaper Publishers' Association cannot act collectively even when the stakes are as high as these were. In financial terms, the sbutdown (which some beadline writers are still calling a "strike") cost Thomson £30m. It will take six years to recoup that direct loss at the rate of £5m a year through savings from By last July, the general the union deal. That figure does secretaries of all the print not include loss of revenue, the unions bad signed a formula for already planned investment proreturning to work—largely with gramme, which will eventually the help of the NGA itself. But cost about £6m, or the £7m that gramme, which will eventually then the divisions re-appeared, will have to be paid out in Two big Natsopa chapels of the severance pay to those taking Sunday Times, the clerical voluntary redundancy. Fleet Street bas gasped at the

cent cut on the production side. to talk money too.

The NGA's traditional feeling of superiority to the "unskilled"

It bas emerged with about 20 per cent, or 600 men (or manshifts) out of 3,000.

THE LONG PATH TO AGREEMENT · April 1978: Times News-

papers management writes to print union general secre-taries telling them that unless it gets agreement on industrial relations reforms by November it will suspend all

 November 1978: National Graphical Association refuses to negotiate under doress. At end of month company goes ahead with suspension of pnblication.

December 1978: Lord Thomson rejects request for direct talks from Joe Wade, NGA general secretary, Albert Booth, then Employment Secretary, initiates talks

which produce a formula. • March 1979: New talks with Albert Booth produce agreement on a formula for negotiations under which 3.684 dismissed staff will be "re-

engaged " until April. • April 1979: New negotiations fall. An attempt to produce a Enropean weekly Frankfurt is abandoned.

■ June 1979: NGA decides to

find new, jobs for its Times members. The following week

Lord Thomson meets Wade and It is agreed that new technology is no longer an obstacle to re-publication.

• July 1979: A formula for re-publication is signed by print union general secre taries after Thomson Organisation representatives become involved in negotiations.

August 1979: Representatives of many of the National Society of Operative Printers. Graphical and Media Person-nel's 2,500 Times members reject the peace formula. October 1979: Sunday Times

machine ebapel of NATSOPA one of biggest problem areas -settles, but the agreement worries NGA members.

October 18, 1979: Negotiations with the NGA break down over differentials. • October 19. 1979: NGA nego-

tiations resume. October 21, 1979: Agreement reached with NGA and lis chapels. Manning Issue to go

The unions say that most of ment from the unions to the what they gave TNL could have been negotiated 11 months ago. There is little doubt that the NGA was prepared to talk turkey on manning cuts and introduction of new technology—provided only that reach a solution "acceptable to its members retained operation all parties" within 12 months. of the keyboards. It has given The problem is that there is

to adjudication,

already-notably at the Mirror -and in provincial newspapers. Whether It would bave giveo as much as it did, and whether other chapels would have come staff-something it said was to the bargaining table without cardinal to wbole operation-it the company's ultimatum is another question. Fleet Street's sbutdown was more than worlh the interests of their members answer to this is "No."

those terms in Fleet Street

dramatic progress on three main fronts: industrial peace, manning, and new technology. would not go back on the papers has conceded as the price Ignoring for the moment the traditional work. Mr. Bill first dispute will decide. Tradimanagement. Even those work interim formula, and wanted to of agreement. But it may also price it has paid, its agreements Booroff, Londoo regional secretionally, Fleet Street chapels supported the move against to talk money. When the machine gasp at the size of the man- on manning look dramatic by tary of the NGA, said the union On technology, the company

has gone as far as anybody else in conventional terms. It also believes that it bas a commit-nology, those tactics have been

principle of shared access among other unions to the computer. The unions do not think so. The management will now sit down with the NGA. Natsopa and the National Union of Journalists to

no obvious solution acceptable to all parties. If, in 12 months' time, Times Newspapers secured access to the composing system for journalists and advertising will be able to argue that the

It cannot be assumed, how- agreement." Times Newspapers wanted ever that this will be the ootremains resolutely opposed to sbsring of what It regards as its

held a consultative conference to plan its future tactics on collective bargaining and tech-

now seek s technology breakthrough for many years to come. The unions believe that per-

manent solution to this problem

must come from creating one union for the printing industry -amalgamation talks between the two biggest unions, the NGA and SOGAT, have just atarted. As for industrial peace, the outlook is far from elear. Certsinly by the very end of

lsst week's non-stop negotiations in Grays Inn Road, the unions and management had reached something like complete unity of purpose. The general secretaries promised that there would be no outbresks of truuble even if anomalies were detected in the final agreements. There may be peace at The

Times for weeks or months. But the NPA is sceptical of the value of the pledges that have been signed. "We have had our own disputes procedure for years; and it doesn't work," the

There is no penalty clause in the TNL agreements. The idea of a financial penalty was dropped months ago, and unions seem to have no difficulty signing up. The agreements contain the standard "status quo" clause, and set out five levels of appeal during which no industrial action or lock-out will be permitted. TNL believes they contain enough of a disciplinary threat to conslitute a genuine peace-maker.

Each chapel has also signed guarantee of continuous production while differences are taken through the disputes pro-

There are also clauses aimed at curbing chapel power. One of these says: "It is agreed that the management has the responsibility for organising the work of the department and maintaining standards of performance." But it goes on to recognise the right of chapels to represent within the framework of this

come of the talks NGA policy real shift in the balance of serious, if imquantifiable, is power must remain a matter of faith among the journals : doubt, which perbaps only the in the competence of the not only control the recruitment print unlons were dismayed and of labour, but working rotas, the tactics, a feeling not helpfor. cess to break.

On the credit side, TNL has resultly be restored.

reinforced by the conviction won changes in shift patters; that no national newspaper will has bought our some overties. has not Natsopa fo operate commercial computer after fe years of argument, has got of 80-page Sunday Times and limits on the colour suppl ment, and new counter-stacker. in the publishing area.

It has secured a single curposing room fur all five TN publications, which will move to computer setting over the next lwn years. Manning in the department will gradually di cline by 40 per cent, and a tin': rate substituted for piecewor That will be £227.50 week from April for the fe-men on the new cold metal pricess by then. Linotype operator in Fleet Street can carn up 1 £600 a week on piece rates at the Observer and over \$400 nn te Evening News, TNL has proably also paid a lump sum of bur out the plece rate. Compaining room staff will also move it. a 32 hour week in April.

#### Redundancy S barrier

Pay rates for the NGA in t. machine room have not bedisclosed, but Natsopa war a figure 1207 a week. On Saturday right the rate will be £67 fur Nstso remaind £90 for the NGA. Ms decided by a binding adjudi-

New rates of pay have si to be decided for all the clerk staff, apart from those in r accounting department. But to Natsopa chapels have an agrement that says-there will be a redundancy either compulsor or voluntary.

The journalists, whose gork will will the company has been pains to foster throughout, ha also signed new pay agreemen. At the Times, the Increases w. range from 30 per cent for thighest paid to 45 per cent more for the lowest, puttie them among the top of the Fig. Street scales.

On the debit side there is by the journalists forced >

The relief felt by all 4.90 one which other newspapers employees that the struggle is have recently tried without suc- over is rectain to be tinged by a lack of trust that will mi-

## **MEN AND MATTERS**

#### Smoothest Silk cuts steel link

The last survivor from the "Melchett era" on the board of the British Steel Corporation will soon depart. Deputy chair-man Mark Littman is preparing, I learn, to return to the Bar, it is a step not often taken by lawyers once they bave moved into a fulltime business career. But Littman, a 59-year-old QC, was one of the brilliant and successful commercial lawyers of the 50's and 60's.

His name is little known to the hot polloi, but his close friends include such people as Lord Lever, Lord Rayne, and Sir Keith Joseph. Lean, slightly stooping and going grey, he is encountered at the best parties and lives in Chester Square. Lately, Littman bas been

much involved in big international arbitration cases, which are a discreet and highly rewarding speciality. But be first made bis name as a young gated allegations of corruption by Labour pollticians of the

Littman comes of modest background and his father emigrated to this country as a child. But at 18 he gained a First at the London School of Economics, went to Oxford and studied law while serving as a lieulenant in the Royal Navy. Although be will be breaking with British Steel, he will keep

his directorships at Rio Tinto Zinc, Commercial Union and Granada. He is also on the U.S. Might be go into politics in some way? There have been offers of safe Tory seats in the past. Littman has given the Impression that "all things are possible.

Indeed, he bas such an air of totally effortless success that he invites some sniping. As a lawyer who knows him well remarks "With Littman, you have to take the smooth with the smooth.



"Does this mean I've bought it?"

#### Bitter experience

Brewers are rarely of a spartan disposition, so even when they assemble to discuss energy saving they would scarcely choose to do so in a freezing army drill ball. That is wby 200 members of the profession from all over Britain and the Continent will long remember yesterday's conference in Burton-on-Trent. The Brewers Society had in-

tended to bold the event in the cosy Ind Coope reception centre. But the way was barred by pickets, demonstrating against plans in move some atail to another plant. A burried switch was made to the Burton drill ball, where it was discovered that the rentral heating had broken down.

Sir Gerald Thorley, a director of Allied Breweries, vainly tried to spread some good cheer by recounting bow he had last been in the place in 1939, for a "tactical exercise without troops." Our man with the frozen ballpoint pen reports that the 1979 exercise without radiators was absolutely arctic—everyone's teeth were chattering."

sddressed another International

The main speaker was lobn Moore, parliamentary under-

Exhibition Centre-which was so overheated that the audience had to sit in its shirt-sleeves.

#### People's perks

Confusion continues about perks and just bow the Chanrellor intends to tackle this thorny area of undergrowth in the employment market. Peter Rees, Minister of State at the Treasury, yesterday calmed fears that there would be sudden assaults on perks by announcing that there would be balancing reductions in incometax in every case. The result of saying this may be to delay any action being taken by com-panies to rationalise their system of rewards.

"A lot of people are scratching their beads as to what their future policies should be—if indeed they should make any changes at all," says Sir Harold Atcherley, a member of the Top Salaries Review Body and rerently appointed chairman of management consultants Tyzack and Partners. That there should be changes, be is in no doubt: "All these fringe benefits involve a hell of a lot of administration. It is highly complex and not an efficient way of managing things-it has got slowly out of proportion."

But he feels sure that the most highly prized perk. the csr. will stay - to some extent because it bas become almost traditional-bowever "realistic" the new tax levels. What may change is the acceptable size of company cars, at present the larger the better for those reclying free petrol. Atcherley bimself set what be things is a good example by requesting an economical runabout. It is German.

#### **Empty mailbag**

. A brave attempt by the British secretary at the Department of Plastics Federation to prove Energy. A fortnight ago be that British design is alive and well has produced, frontcally.

conference of fuel-saving: that almost exactly the reverse imone was at the Birmingham pression. The BPF's 197 pression. The BPF's 1979 Horner's Award competition. intended to encourage "good and imaginative use of plastics" attracted only a bandful of

> "We are not talking about bundreds by any stretch of the imagination," admits a spokesman. How many, then? "Certainly less than 50-and our feeling is that they have not been of the right sort." In the event, nothing, it seems, could rival last year's sailing dinghy or 1977's plastic compost bin. Instead mere certificates of merit bave gone to a life raft and a plastic sack, and the award has not been made at all.

"Peopla may not wish to be put in a competitive environment." azvs the BPF's assistant director Richard Edy, who admits this is something of s paradox, but resists the suggestion that British plastics designers sre years hebind their competitors in Europe. particularly in Germany Investment in R and D within the last five years has been pretty substantial," he assures

I understand that Reed Plastic Packaging is much aggrieved that It dld not receive the full award for its plastic bsg: neither the bag nor the plastic "Seasava" life raft will he paraded round the country, an honour accorded both to the dinghy and the compost bin.

#### Blue murder

In a South London teashop at the weekend, a woman at the next table complained to ber friend: "I know there's a lot of violence on television, but it's nothing to what happens when I try to drag the children away

Observer

#### YOUR BEST **INVESTMENT EVER?**

Many regular subscribers describe the Investors Chronicle's mid-week News Letter as their best investment ever and attribute much of their investment success over the years to its advice. Since 1965, when the present editorial team took over, the record shows that its recommendations have beaten the index by a wide percentage margin averaging well into double figures on an annual basis. The IC News Letter also has an excellent record in its general market, sector and selling advice, as supported by the many appreciative letters from subscribers all over the

The worth of the IC News Letter's sector advice is illustrated by its keen advocacy of oil shares in recent years at prices way below current levels. Over the past four years the annual Nap Selections alone have included Shell Transport (now up 489%), Oil Exploration (up 761%), Burmah (up 380%), Ultramar (up 260%), Premier Consolidated (up 213%) and Charterhall (up 161%) and a whole host of profitable buying suggestions, ranging from Burmah Oil and Oil Exploration to the overseas Aran Energy. Basic Resources and Weeks Petroleum, have been put forward this year.

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هكنامن الأحيل

## AEG: giant in trouble

BY JONATHAN CARR in Bonn

targest cleetricals group, AEG-Telefunken, is at a watershed in that the argument about preserbeen waiting for a return to of the highly qualified people steady profitability and dividend the company employs could, it payments. The questions facing is felt, find a place for their inday's extraordinary meeting skilla elaewbere. of the company's Supervisory Board are more fundamental. Can the group survive at all? If so in what form? And how can the necessary transforma-

On the face of it it would seem untbinkable to let the group die. Laat year AEG-Telefunken worldwide bad total sales of DM 14.1bn (about 23.7bn at the present rate of exchange), received orders worth DM 14.5bn and had 162,600 cinpluyees, more than 131,000 of them in West Germany.

Statistics, apart, AEG-Telefuoken is-literally-a house-hold name. Its household goods are part of the everyday life of millions of German citizens. Would it be tolerable to see the company expire—especially as the country enters a general election year, with the political opposition strongly challenging the government on ita economic

The Federal Finance Minister. Herr Hans Matthoefer, a Social which Democrat, evidently thinks not. heavily indehted. One look at He has publicly stated that one AEG-Telefunken's balance sheet could not stand by and see indicates the size of the problem. Last year the com-pany made a loss of DM 347m thousands of AEG employees thrown nut of work. But be has not made clear what action the Government might consider. fifth successive year. Share-holders' equity declined to DM 1.2bn from DM 1.7bn at the to help keep the company

There is even less joy for end of 1877, constituting 14 per AEG from Herr Matthoefer's cent of the balance aheet total colleague at the Economics as against 1g per cent before. Ministry, Cnunt Otto While issued share capital Lambsdorff, a member of the remained steady at DM 930m Cnunt liheral Free Democratic Party. and a firm defender of market alightly, reserves plunged to forces against those constantly DM 231m from DM 574m a year e gandlog state intervention, earlier. Total liabilities are Officially the Economics Ministry says it is "sceptical" about with DM 4.9hn at end-1977) of

GERMANY'S second any state support for AEG-Tele- which DM 3.4bo is figure energy sources appear to unchanged, the increase would funken. Unofficially, it is said liabilities. According to the dwindle.

According to the dwindle. Siemens bas such a broad interits almost century-old history.
Since 1973 sbareholders have Since 1973 sbareholders have as it may at first appear. Many

> These differences do not necessarily mean that Bonn will do nothing at all. One likely

> condition that the private aector takes the main responsibility for

putting AEG-Telefunken back

That would put the ball back

AEG-Telefunken

neatly into the court of the company—and of the banks, particularly the Dresdner Bank, to

and pald no dividend for the

as against 1g per cent before.

and minority interests rose

AEG-TELEFUNKEN

AEG-TELEFUNKEN

AEG's year of -

STEMENS

on its feet.

1970

the company's surplus capacity but the point is really in in Berlin or to steer more public able. Last year Siemen

buoyant

How did the company reach this dismal position? And why traditional skills combined with tricals concern, Siemens, do tors enter the world electricals so much better? Many io AEG market. But, io contrast to are understandably sensitive to Slemens, AEG remains highly

THE RIVALS COMPARED

WORLD SALES (DMbn

PROFIT OR LOSS (DMm)

but the point is really in escap-

duced a net profit of DM 721m on sales of DM 29bn, paid its

well-nigb traditional dividend

of superior. almost aristocratic,

Until recently the two groups

+411

+238

8.01

+94 +428

+504

expressed concero at the plight of AEG-Telefunken. "We need 25 per cent in 1978 a strong domestic competitor for our own good." is the kind of the strong domestic competitor in the strong domestic competitor our own good." is the kind of the strong domestic competitor in the strong domestic competition.

comment the Siemens men 17 per cent.

of 16 per cent and, when asked, engineering and industrial expressed concero at the plight systems constituted a further

which AEG may yet come to cantly, last year for the first regret—despite the need to cut time in 15 years, AEG-Tele-

its losses quickly. The nuclear firmken's exports declined—but

pick up in the 1980s as alteroa- rency exchange rates remained

nrders and sales anything but precisely the kind of field where AEG - Telefunken could best build its future, relying on can the country's biggest elec-bigh technology as new competicompromise could he for the rederal Government to huy up the long-standing onflattering dependent on demand for conceptable or indirectly or indirectly) some of their bigger rival— challenge, particularly from the

13.5

20.7

Far East, is strong and growing. Last year 34 per cent of AEG-Telefunken'a world sales came

from consumer goods, compared

with 33 per cent in 1977. Power

25 per cent in 1978, telecom-

systems 18 per cent, and indus-

trial and electrical components

achieve a relative decline of the

14.3 25.2

In theory power station con- Siemens bas such a broad interstruction would appear to be national base that the currency factor is more easily cushioned and many foreigo markets can be attacked from the inside. AEG's beavier dependence upon exports from German plant has exposed it more heavily to the pressures of the high Germao exchange rate.

It is not as though AEG-Telefunken bas simply been sitting helpless. Under Dr. Walter Cipa. who joined the company in 1975 and became chairman m 1976, an almost convulsive effort has been made to rationalise. alter production structure, push overseas, and build for a profit-able future. Nor has the group weakened its research development effort—last year increasing expenditure here alone by 7 per cent to almost DM 1bn. or more than 6 per cent of sales. It almost goes without anying that Dr. Cipa, who has an abrasive personality, has gained many critics in his efforts to beave the company on to a new course. But it is far from clear that anyone else coming to the company in the mid-1970a, could have had better success. Errors were made, or at least fundamental difficulties emerged, long before Dr. Cina came on to the scene. The company now faces the bill for them.

Part of the company strategy in recent years has been to For one thing, AEGwere partners in power station construction, each holding a 50 boosting other sectors more per cent stake in Kraftwerk likely to be profitable in the Union (KWU1, But AEG made long term. But this was far easier said than done, not least easier said to Siemens Telefunken lost particularly heavily in the Second World War and its aftermath—since the vast majority of its assets were in what is now East Germany. In the circumstances from nuclear power station and reactor contracts and finally sold out altogether to Siemens. The decision was a painful one, overseas production. Signification was a painful one, overseas production. then prevailing, it seemed natural enough to build up at bome before advancing atrongly overseas, particularly as West Germany proved a buoyant domestic market year after year. Siemens took another course reactor market is stagnant at the sales by its foreign sub-present—not least because of sidiaries of locally produced which turned out to be political opposition to atomic goods rose by 5 per cent in power at home. But it may well Deutsche Mark terms. Had curshrewder-but at the time that

was not self-evident. Wheo the need for a change



Dr. Cipa (left) and Dr. Fridericha: new partnership to the making?

of course became clear, AEG circumstances in 1975, it was AEG's shares with a nomitonly had as its Executive Board left to the back consurtium value of DM 50, which unce chairman, Dr. Hans Groebe, which underwrote the issue to floated close to the DM 300 who for all bis talents did not bave the kind of character to mount a major shakeout. Quite apart from that, his predecessor in office, Dr. Hana Buebler, had the become chairman of Supervisory Board.

Then Dr. Cipa appeared oo the scene—thanks not least to the influence of Herr Juergen Ponto, head of the Dresdoer Bank and, by that time, AEG-Supervisory Telefunken's Board chairman too. They could have been a decisive comsince Herr Ponto had far Bank. It is not to he excluded sightedness, a clear understanding of the company's problems. and confidence in Dr. Cipa to company is in serious danger, do what was required. But in with the Dresdner Bank head. 1977 Herr Ponto was murdered

by terrorists.
The connection between AEGalways been particularly one since, if AEG is to he saved, strong—again in contrast to Siemens. It would be asset to the hanks in general asset to the hanks draw the conclusion that the relationship has proved of benefit to neither side. After their influence to obtain a different company policy course in to include a big write-down of the post-war years. When AEG- AEG's capital—with the banks Telefunken needed a capital in- injecting fresh money and holdcrease to DM 930m from DM 704m in highly unpropilious

GENERAL

Continent

wanted by others. However, this is not the

whole picture. The link between hanks and company has worked well when there have becostrong and decisive personalines on both sides. This was true in the early years wheo the founder of AEG. Herr Emil Ratbenau, and later bis son Walter, could rely on the support and friendship of Herr Carl Fuerstenberg, head of the Berliner Handelsgesellschaft, a emerge again, now that the Dr. Hans Friderichs, taking over the lendership of the AEG-

to play a decisive role. This may well include an agreement to devise some sort of a moraall the banks were evidently torium for the company debis unable-or did not seek—to use owed to them.

It would seem certain to have ing most of the new shares themselves, at least for a time,

ing around DM 40. It is going to take a lot of time and effort to pruduce results which will make them generally pupular again.

Dr. Friderichs-Herr Ponto's successur—is a man of great determination bound to see the job through if he took it on. He was until he took up his Dresdner post Economics Minister in Bonn—so his contacts with the Government are good and his judgment of the possibilities there will be based on personal experience. It could be that a Friderichs-Cipa combination could energe, furging ahead more quickly than has so far been possible with the re-orientation essential to the company s future.

At any rate it seems certain strong influence indeed as part of the price for a new rescue ls agreed at management level. an understanding will be needed with the trades unions whose memhers will have to bear the impact of the changes proposed. All this will take more than a single meeting of the super-visory Board to settle. But the Board must make a start in the knowledge that nothing less than radical changes will do.

#### Letters to the Editor

#### Measuring trends

From Mr. K. Coutts Sir,-Mr. Fulwood (October 23) argues that net operating surplus as a proportion of net talue-added (column t3) of profit margins based on historic Lord Kaldor's letter) is a truer costs would necessarily be reindication of the trend of duced by a failure to pass on another. profitability than the gross wage increases in full. On the profit margin (column (1) of contrary, reduced operating surhat letter). The point of Lord pluses due to this factor could Kaldor's letter, as I understood n. was that it one wishes to due to accelerating inflation, to increase. Apparently he to a number of trade union dealers; outside suppliers parts up of price over historic cost of leaving profits at bistoric costs helieves that these schemes lead officials attending a meeting in are of poor quality; the perreduction has fallen as a result of trade union power or any other cause, column (1) is the importance of revaluation surpropriate ratio to look at and the convertibles of proportion of the measure for productivity in the proportion of the measure for productivity. The proportion of the measure for productivity is the first of pluses of just this kind in the pluses of just this k ippropriate ratio to look at and prosess of just his kind in the convertibles are delightful on a sunny day. In measure the profitability of value added excludes revaluation and the convertibles have introduced more ing. This would mean severe in short, at today's prices they funds invested in companies tion surpluses, it is misleading schemes without tax concessions redundancies at the make up which was not his direct con- to refer to the share of historic tern) then both columns (1)

appropriate measure of profit. an operating surplus. ability in a period of rapid intation. Some agreement has plus only benefits a firm to the ieen reached to the extent that extent to which the goods on measure of return on equity hould include an allowance or gearing gains (net of nterest payments) in addition to the operating surplus, after deduction of stock appreciation and the replacement cost of depreciation of fixed assets. By treating capital consumption and stock appreciation as costs to be set against operating revenue, column t3) implies i that, given the gross mark-up.
i firms bave to finance all of these
costs " from revenue. Column
11) on the other hand implies that all stock appreciation and the additional depreciation the creation of new wealth with necessary for the maintenance those which arise from the reof the real value of fixed assets can be financed by outside Operating surpluses earned on

in profit the geared proportion financed by borrowing. recent: years have almost profits received as transfers certainly exceeded interest payments. The return to equity as n proportion of net value added. proportion of net value added. from its own productive activi-while lower than column 11), ties. More attention must be will be larger than column (3).

K. J. louits. Department of Applied Econonics. l niverity of Cambridge. Sidgück Apenue,

#### Sineezes on pofits

jelf does not seem to be true. the profit carned on a properefore be affected by changes other industrial countries.

T. P. Hill 1 Professor). ess of production and must irious inputs and outputs inluding waces. On the other Norwick. and, revaluation surpluses or olding gains are mostly enerated by stocks of durable nun-durable goods already ald hy firms as they use them in the course of production: From Mr. B. Cole. inc course of production: From Mr. D. Cole.

18 you appears to have convinced the sell it for less and still expect 37, Park West, the rate of increase in wages report that Mr. Nicholas European Commissioner that to stay in husiness. The logical Markly Arch. W2

Profits at historic costs embrace fore contain a substantial comto pass on wage increases. It cellent case for arguing that the does not follow, therefore, that

cost profits in value added anymd (3) are misleading.

There has been considerable public discussion by accountants and it can be argued that a revaluation surplus is as good as the most valuation surplus. The trouble is that a revaluation surwhich the surplus accrues are bought out of funds borrowed from others. Otherwise, the funds which a firm itself puts into the purchase of stocks of durable or non-durable goods themselves depreciale in real terms as a result of inflation, a fact which is not recognised by historic cost accounting. Revaluation surpluses are only one side of the process by which inflation redistributes existing

wealth: the losses go unrecorded in historic cost accounting. It is not satisfactory to lump together profits which arise from those which arise from the re-distribution of existing wealth. borrowing. A more reasonable view, intermediate between these two, is that firms can safely increase their borrowing in line with the increase in the value of their assets and allocate.

The prospects for Rritish indus-The prospects for British indusvalue of their assets and allocate try are not very healthy and it nanced by borrowing.

Since the gearing gams to inc from banks or others; on seent: years have almost inc from banks or others; on paid to the profitability of industrial production as distinct from that of industrial firma.

The figures quoted by Lord Kaldor show that profitability io the wider group industry plus transport did not decline nearly the mid-1970s and that they have recovered somewhat (helped by North Sea oil) subsconently. On the other hand, using the same data source. Froj Professor T. Hill using the same data sources as SI—Lord Kuldor 10ctober to the Treasury content that I trade union power soulcast the Treasury content that I trade union power soulcast the Treasury content that I trade union power soulcast the Treasury content to squezed profit margins hecause fell from 22.8 per cenl in 1968 incases in money wages in to 7.1 per cent in 1974 since the mid-1970s could not be when it has recovered only to ful passed onto prices. He 12.2 per cent in 1978, Moreover, agerts that "if that were true, desnite the admitted difficulties plfst margins based on historic of making reliable international cits would have necessarily comparisons it does seem that the profitability of actually enrazing in manufacturing pro-The grass operating surplus duction in the UK (as distinct from sitting back to enjoy holding gains) is less than in most

University of East Anglia.

schemes

Employee share

operating surpluses and there-fore contain a substantial com- "fiscal ocutrality" in the treatponent which is not affected by ment of different types of predominant the ability, or inability, of firms savings. There is indeed an exthrough the tax system one costs would necessarily be re- form of savings as opposed to

when it comes to employee missioner down. easily he counterbalanced by share schemes, a form of tax increased revaluation surpluses discrimination which he wishes discrimination which he wishes

being necessary!
There is really no reason wby an employee has to he bribed gift of sbares! B. A. Cole.

"Drake Wood." Deroushire Avenue, Amershum, Buckinghomshire.

#### Farmers and the CBI

From Mr. R. Boker White Sir.-I was most distressed to read your article "Farmers may split CBI conference" (Octo-ber 8). The proposed resolutions to be submitted by the National Farmers Union president at next month'a CBI conference are a direct censure on the Chancellor's economic policy. Mr. Peter Walker has recently pledged support for the agricultural industry and surely the Government needs all the support it can muster in the very difficult times that lie ahead. The industry does not have a good image with the public, and the proposed action will do nothing to improve it. Surely it must be the sincere wish of most farmers that the NFU president will have aecond thoughts on this matter before any damage is done to the Government, the CBI or the industry itself. R. J. Baker White, Street End Farms. Street End Place.

#### European textiles

Nr. Canterbury,

"Wool industry 'disenchanted' with EEC trading policy" (October 19) is only half the

The predicted decline in employment in the wool industry From Mr. T. Wood follows a similar decline which is taking place in the rest of the textile industry, and every week further redundancies are being

Every major textile company promoted British membership of the EEC, and from the moment of our acceptance the European Commission has held the view that the European textile industry is politically expendable. Furthermore it is not efficient enough, and It is an industry which should be employing others in the third world.

Unfortunately no one to date

Goodison on behalf of the Stock there is no alternative employ- answer would he to increase the where the textile industry is

The European Commission was defeated when certain Governments should not fayour Governments forced it to negotiate a much tougher multi-fibre agreement, but your readers What a pity that Mr. should not worry about that. Goodlson's logic deserts him You cannot keep a clever Com-

The latest proposal outlined end of our industry.

The trade unions totally by a tax benefit to accept a free rejected this concept. We the industry, had for employment, and bad for Britain. A growing number of trade union officials who believed that the EEC had something to offer are now coming to the conclusion that the EEC itself is also bad for Britain. How long will it be until employers are prepared to say just that while they are still in business?

> Roger Beson East Road, Longsight,

#### Referendum for Londoners

From the Member of Greater London Council for Hendon

Sir.-The long-awaited Feasibility Study on the 1988 Olympics bas just been pub-lished with the cash implicais the question of whether or not Londoners actually want the 1988 Olympics to be held here. Would it not be a good idea

to put the question to Lon-doners in a referendum? As an exercise in democracy, it is likely to be money well speed. Too often are decisions made in placea like County Hall involving expenditure of buge sums

be consulted on Proposition 13. why abould not the voters of London be consulted on the Olympics proposition? Bryan Cassidy.

County Hall, SE1.

#### The price of MG cars

Sir,—Mr. Luhbock's letter (Octuber 18) regarding the price of MG cars in the U.S. raises several interesting points. The current price of an MGB in the UK. taking an average for the MGB-GT and the cheaper convertible, is well in excess of \$10,000 at current exchange rates. The Americans are therefore buying the car for a price very much less than the UK customer, and in addition there is the cost of shipping the

vehicle to America. prises me that BL can transport help to pay for ltl the car several thousand miles, A. G. A. Mackay.

The last of the la

revaluation surpluses as well as Exchange Council has issued a ment in many areas of the UK price in the U.S., and reduce operating surpluses and there-plea to the Chancellor for where the textile industry is the price in the UK where buyers over the last few years have been subsidising the export models. As if subsidising the labour force through my income tax is not enough!

The problems however are rather greater than the arithmetic of pricing. I bave bought two new MGB's since 1972 both of which have given me great pleasure. Alas, the cars are not as well made as they used to be; are hadly turned out by the are very poor value indeed. Let's remember the MG as the car it used to be—I am keeping mine for posterity—and get back to the economic reality of strongly believed it was had for life without it, and prohably the

rest of BL too. T. G. Wood. 14. Sharston Crescent. Kuutsjord.

#### **Tachographs** for TIR

From Mr. H. Spender. Sir.-EEC regulations on the installation of tachographs in UK vehicles have been hanging over the head of the transport industry for at least three to five years, and now, with their Impending implementation chaos is likely within the transport world.

My auggestion to the Government (which has inherited the problem from the previous ooe) is to avoid trouble with the unions and drivers by accepting tions. There are other impli-cations, bowever. One of them operating internationally those operating internationally; those operating solely domestically should be free from EEC directives. Furthermore, drivers of "international" vebicles are unlikely to protest.

Why, for example, should small lorries operating in "local" areas with a daily radius of operation of a few of ratepayers' money without ratepayers being consulted.

If the voters of California can scene is beyond me. Mr. Ashwell of the Transport and General Workers' Union has commented upon the same approach to this difficult matter and I am sure strike action would be called off if the change were made. A pro-Marketeer myself I am becoming increasingly annoyed by continued interference in our "domestic" affairs by EEC regu-lations. Misuse of the tachograph is a prime example. Herbert R. Spender, 45. Huntly Road,

#### Reclaim the Wash

Bournemouth.

From Mr. A. Mackay.
Sir. — The Dutch reclaimed large areas of their country. Why not reclaim the Wash for the third airport?

It would relieve pressure on

If the UK price is a realistic London's airports, give employ-one to cover manufacturing ment, and metal detectors might costs and make a profit, it sur- find King John's treasure to

#### Today's Events

UK: Trades Union Congress eneral council meets.
Meeting of Labour Party effect oo workers' health Announcement by Health and Safety Executive on Advisory national executive committee. National Union of Seamen pay Committee on Asbestos final talks resume.

Mr. William Whilelaw, Home Overseas: Chalrman Hua Guo-Secretary, speaks at Metropolitan Police Branch Boards of Police feng. Chinese leader, cootioues visit to West Germany. Second and final day of Finan-Federatioo annual me Central Hall, Westminster. cial Times World Cooference on Civil Aviation Authority begins Energy and Industry, Dusseldorf. Queen begins two-day private public bearings of claims by independent airlines for new routes from Gatwick to slghtseeing visit to France.

PARLIAMENTARY BUSINESS Statement by Association of House of Commons: Debate on public expenditure cuts. House of Lords: Debate on Scientific Technical and Managerial Staffs on new technology's-

serious effects of Government policies on the family. Debate on Government policy assisting private enterprise to encourage active participation in regeneration of dockyards.

COMPANY REETINGS

Amalgamated Estates. lronic, Barrington House, EC. 12. Australian and International Trust, 120. Cheapside, EC. 3.30. Excalibur lewellery, Chamber of Commerce, Edubasion, Birming-ham, 12. Mills and Allen, Winchester House, EC, 12. Wolverhampton Steam Laundry, 150. Sweetman Street. Wolverhamp-ton, 11,30.

## Teaching teachers is money well spent

CMC has a vested interest in good customer training. It wants its equipment working quickly on-site and knows this requires efficient operators as well as reliable machines.

CMC has been making easy-to-use computer systems since 1969 and it knows that well-trained staff makes good equipment work

Last year CMC Customer Training Manager Piers Landmann and his seven colleagues trained 657 customers' staff - mostly supervisors who went away to instruct as they'd been instructed.

Courses varied from one day to two weeks, from 'introducing computers' (for first time users) to 'background-programming courses on Multiple Processor Keying' (for the very, very knowledgeable).



#### The computer company where people count

Computer Machinery Company Hemel Hempstead Herifoldshire



## Paterson Zochonis falls by 13.8% at year-end

with Nigeria and losses due to the road transport dispote hit profits of Paterson, Zochonis and Company the West African mer-chants. Taxable profits fell from thans. Taxable profits felt from \$19.48m to £16.79m in the year to May 31 1979 on turnover down from £213.5m to £192m.

The profits down turn of 13.8

per cent is slightly better than the midway forecast of a 15 per cent year-end decline.

But the Board now warns that current half-year profits will be below last year's £9.43m. However, trade with Nigeria is showing signs of recovery whila the remainder of the group's operations are on target. think the year-end results will be lower than those for last eyar. A final dividend of 5.7p net lifts the total from Sp to 9p. After tax of £7.8m (£9.83m), which this time includes an exceptional credit for stock relief of £898,666, and minorities of

289,609 (£370,3921) the attributable surplus is down from 59.28m to £8.7m. Stated earnings per 10p share fell from 57.32p to 53.16p, and excluding the exceptional and its 47.475. tional credit to 47.47p. The figures do not take into account extraordinary items of £346,860 (£168,302). In additionthere is a currency translation deScit of £2.97m (£50,044 credit) which is reduced this time by a transfer from currency fluctuation provision of £1.85m. There is asurplus of £8.66m on property revaluations and after a gain in reserves on change of interest in subsidiaries of £44.445 (£1.3m) and less £2.37m deferred tax the

credit to reserves is £5.22m (£1.35m) Operating profit 14,405,458 15,490,863 Exchang profit on trading 85,310 †194,417 Associates

**SWAN HUNTER** 

The listing of Swan Hunter Group has been cancelled at the request of the liquidators. Applications to make specific bargains

#### HIGHLIGHTS

The City was stunned by the total abolution of exchange controls. Lex looks at some of tha many implications of this historic move which not only has issues on the level of the financial markets but also has profound structural implications. Lex also looks at the turbulent day in the Eurohond market, where interest rates have shot up and the big banks are showing substantial losses on their bond inventories. Finally Lex considers the latest developments at Paterson Zochnnis which has survived the Nigerian troubles with surprising resilience. Laporte comes to the market with a £10.6m rights issue which comes in for comment on the insida pages, as do the figures from R, P. Martin, Bambers Stnres, Ductile Steel, TKM, Sketchley and Fldelity Radio.

#### R. P. Martin profit and dividend downturn

£287,888 in the first half, R. P. Martin and Co., foreign exchange and currency broker, bas finished the June 30 1979 year with tax-able profits of £494,000 against

Trading for the first quarter of the current year bas been satisfactory, directors state. They say they are mainaining their policy of only paying a covered dividend, and are therefore recommending a reduced final of 1.5p moking a 3p (4.5p) net total per 5p share. Stated earnings are 3.06p (2.94p) for the same

Turnover for the year improved 25 per cent from £4.12m to £5.15m largely as a result of expansion in North America, the directors state. The development and setting up coats of the New York and Toronto subsidiaries impaired group profitability, and hecause no immediate tax relief basheen available, corporation tax charge

Both offices are firmly established in their centres, Toronto currently operating oroStahly Tax for the year took £368,000

compared with £511,000 comment

The preliminary results from R. P. Martin continues the story 139.6p to 141.3p per 25p share.

First half profits up £4m.

**Interim dividend 1.59p** 

(1978 0.9558p)

Consolidated unaudited results for six months to 30th June 1979

After falling from £359,853 to of the interim. Martin is being soneezed by the tough competi-tion from the bigger money brokers and is struggling to get on terms with them. A strong New York office la now essential an intercational broker and Martin is fighting bard to estab lish one. The staff in New York has risen from 12 to 30 in the last six months, as Martin tries to find gaps in the market. But after a series of disappointments and in view of the competitive conditions, the venture may he considered as a gamble by the stockmarket. It might come off, but there is a strong chance that Martin may end up mergine or being taken over, as two other brokers have already been this year. The shares currently yielding 10.6 per cent at 42p, are

#### City & Intl.

Taxable revenue of City and to £1.25m in the year to August 31, 1979, against £1.07m. Gross revenue is up from £1.28m to

is announced, making a total of 5.7p (4.7p) on earnings per 25p share stated to have risen from

Year ended

31st December

<u>∫</u>,'ooo

7694

1725

5945

1741

11.9p

## **Laporte Industries** calling for £10.6m

for Laporte Industries, the chemi- annydride, it would be tempting cal manufacturing group, was to suppose that history might announced yesterday. The cash repeat itself. But this time announced yesterday. The cash repeat itself. But this time call will involve the issue of Laporte is sufficiently confident close to 11.58m shares on the of second half profits to pitch Solvay and Cie SA, which con-trots 25 per cent of Lapurie will he taking up its rights in foll and the balance has been under-

group to widen its range of acti- enough but outsiders ponder the

spent around £16m on capital ex-penditure, and the directors expect to spend a similar amount during 1979 and 1980. In addition, the group expects to pro-vide £4m as its share of further equity investment in certain of the Interlox companies.

In the half year ended July 1 1979 profits recovered from £4.7m to £8.5m pre-tax and the board is indicating that profits for the second balf "will be satisfactory." In 1978 the group made profits f £12.14m compared with a peak of £15,35m in 1978.

The directors add that the group is experiencing increased demand for some of its products. but it is also baving to contend with increased costs and, in some cases, a narrowing of mar-

They are forecasting a final dividend of 5.25p lifting the total payout to 8.75p per share, compared with 7.55425p. At the gross level this is equivalent to an 11 per cent rise.
Dealings in the new shares

start on Octoher 29. Brokers are de Zoete and Bevan and Quilter Hilton Goodi-

• comment

rights issue market in 1977, its Fitzroy's main operations profit for the year looked safe cover investment, market halls enough but subsequently and siles and the When Laporte last tapped the enough but subsequently and siles, and the manufacture crumbled dramatically. In highly of sheet metal, steel wire and cyclical husinesses such as tube.

RICHTS issue to raise £10.6m titanium dioxide and phthalte hasis of one-for-four st 95p each, the issue at a discount of 18.1 per cent to the overeight price which is at least a couple of points tighter than the terms offered by Letraset, Uniten or written by S. G. Warburg.

The main purpose helind the exercists orice of 104.6p indicates prospective yield of 12 per expenditure and enable the group to wide its vities. The board is examining wisdom of delaying the cash call vities. The board is examining prospects for further developments including possible acquisitions in the UK and overseas, primarily in the U.S.

In 1977 and 1978 the group itself has few such aoxieties, though wage increases are putalthough wage increases are put-ting pressure on margins in the second half, and points to the solidity which the progressive earnings pattern at Interox is beginning to impose on a fluctuating track record. External forecasts still centre on fully taxed earnings of 17.5p per share and the p/e of just under 6 is probably sufficiently conservative to get this issue safely away.

#### Fitzroy Invs. chairman

resigns

Mr. Gerald Thompson bas resigned as chairman of Fizzay Investments as a result of legal proceedings concerning his own private companies, Fitzroy's comany secretary. Mr. Anthony

He said these were not con-nected with Fitzroy, which had not suffered as a result of the activities. At a meeting held yesterday, the Fitzroy Board deeided against immediately filling the vacancy left by the departure of Mr. Thompson, who had been chairman since late

into profit as anticipated.

The poor group trading per-

formance and extraordinary items written off in respect of

reserves, prevents the directors from recommending the pay-

ments indicated in March, at the time of the Normans acquisition. On the increased capital, they

then forecast a second interim

of 0.5p net and a 0.742p final, while payments totalling

tea prices, of which there are now market expectations, the

directors are to pay an interim

of 0.522p net in respect of the current year. It is hoped to

recommend 0.775p per share during autumn, 1980, subject to the holding company having

sufficient profits available
Wood Bros. bas been sold to a company under the control of Mr. H. W. Dixon, a Single direc-

tor and the chairman of Wood

£15,000 bas been paid and the balance is due before March 31,

1980. The loss on disposal of £123,103 has been included in

projected.

· However,

#### Singlo slumps to £95,000

A result of a sharp lorry drivers' dispute hit Wood deterioration in trading performance in the final part of the March 31, 1979 year results of Singlo Holdings, tea producer, food processor and soft drinks make losses rather than moving and giftware manufacturer, were worse than the Board had expected last January in their Reflecting substantial write-offs

and provisions pre-tax profits plunged from £905,000 to £95,000, while at the attributable level there was a £410,000 deficit, compared with a surplus of £85,000. Stated loss per 10p share was 4.04p (1.66p earnings). of 0.5 Since the year-end, the group's while

position bas been significantly 1.9162p net for 1979-80 were also mproved through the merg with (Budleigh l which Norman's operates six sizeable cash and carry warehouses with a new outlet scheduled to open in March, 1980.

Normans trading in the current year is well up to current year is well up to expectations and the merger bas provided the group with a major sonrce of UK profits. The viability of the group's smaller UK trading activities is being reviewed by the directors particularly in view of poor trading performances from certain subsidiaries.

During the closing part of the year under review, tea prices were hadly depressed and trad-ing of the UK subsidiaries was very poor. Fieldsman Retail made a aizeable loss and the

directors have decided to dis-continue this activity by selling leases of individual shops. Bad winter weather and tha

Sime Darby begins move

place of incorporation from the UK to Malayaia. The move, costing Calaysian 32.4m (£511,000), is expected to be completed on December 20.

Tun Tan Slew 5in writes In the scheme document that about 90 per cent of Sime Darby shares are beld on the Malaysian and Singapore registers and the com-pany has for many years been resident in Malaysia for taxation purposes. But the formalisation of Sime's position as a Malaysia-based international group was complicated because of size of the group and the international

regulations involved.
One of the more unusual elements in the scheme is a special section relating to residents of Israel, Zimbabwe Rhodesia and South Africa. These will have to meet Malaysian exchange control regula-tions. Among the restrictions exchange controller will be necessary before they can deal quished his executive office with Singlo but remains as a nonexecutive director.

the annual report io which Tun Tan says that group borrowings less cash deposits represented 29 per cent o ftotal capital and reserves on June 30 against 13 per cent a year earlier. This was due to a mixed currency loan of Ringgit 475m in August 1978. The chairman expects further growth in the current year given the groups inherent funncial strength and recommend. financial strength and reasonable commodity prices.

In the plantationa di vision, obtained in the first quarter bave remained favourable, according to Mr. James 5cott, the chief executive, Among the UK activities, Butler Till, the money broker, is reported to have had lower profitability
while Guy Butler (International)
"continues to find that the cost
of financing its overseas offices
remains ahead of income." Robert Bradford, the insurance broker, bas enjoyed repayments from a

#### **Export Finance** -Without Recourse-Contact: David Rippon at Arbuthnot

## Ductile falls to £4.71m but dividends up 29%

AS FOREWARNED at interim stace, pre-tax profits of Duetile Spels, at £4.71m for the year ended June 30, 1979, failed to match the previous year's 55.11m. Turoover, however, improved from £67.7m to £75.1m. In March, when reporting firsthalf profits up from ft.87m to 22.05m, Mr. R. Sidaway, the chairman, said that industrial disputes within the motor vehicle industry had resulted in con-siderably reduced turnover in many group companies, while the road haulage strike had disrupted production, especially in the steel division.

He now sayst he effects of the recent engineers strike will be felt far some time. Although group companies were not directly affected, many of its customers were and this resulted reduced orders and profits. However, he believes the group will he ahle to return to its growth pattero. A divisional breakdown of the

year's turnover and trading pro-fits. lower at £5.3m (£5.5m). fits. lower at £5.3m (£5.5m), shows (with £000's omitted):— steel re-rolling £62,511 (£55,317) and £2,535 (£2,647), tubes and fittings £25.271 (£23,273) and £2,530 (£2,607), and engineering £3.997 (£3,968) and £239 (£251) respectively. Intra-group sales amounted to £16.69m (£14.86m). Stated earnings per 25n share Stated earnings per 25p share were 24.16p (23.46p), while the dividend lotal is lifted over 29 per cent from 5.4125p to 7p net, with a 4.8813p final. Net assets per share rose from 215p

Using tha Hyde guidelines. pre-tax profits on a C.C.A. basis are shown as £2.63m (£3.4m). after additional depreciation of £1.06m (£0.85m), cost of sales adjustment, £1.35m (£1.15m), less gearing of £0.32m (£0.29m).

DIVIDENDS ANNOUNCED sponding for payment payment int, 0.85 Dec. 21 Bambers City and Int. Trust ..... 2.7
Ductile Steels 4.8 Eug. Natl. pref. . . int. 1.01 Eng. Natl. defd. . int.: 1.59 Fidelly Radio ....int 1.66 Jan. 11 Lawrie ...... London Brick ......int. 

 R. P. Martin
 1.5

 Paterson Zochouis
 5.7

 Rediffusion TV
 38.5

 W. Rnneiman
 int
 1.25

 Securities Trust
 int
 1.9

 Dec. S Nov. 21 Jan. 4 Sketchley int 2.8 Jan 2 22 5.
Tozer Kemsley int 1.59 Jan 3 0.96
Dividends shown pence per share net except where otherwise of

\* Equivalent after allowing for scrip issue. \* On capital increased by rights ond/or acquisition assues. \* To reduce dispatity. Final of not less than 4.3p forecast.

At balance date, group fixed assets stood at £13.93m (£13.63m) and net current assets moved abead from £21.88m to £23.98m. There was no hank overdraft, compared with £1.97m last time, and cash and bank balances amounted to £946,000 (nil).

comment Ductile Steels' share price

climbed 5p to 96p yesterday hut. on an historic fully laxed p/e of 5.4 and a yield of 11 per cent. the rating looks set to remain highly defensive until the effects nf the engineering dispute on customers' production schedules have been properly calculated. The results are belter than expected but, despite efforts to counteract the effects of the transport strike, profits are probat over £2m which is adequate ably some £750,000 behind for current purposes.

September looks in have put Ductile's recovery efforts back Ductile's recovery efforts back by a year but recent capital spending has improved the underlying competitive position. The weak spots include the planetary mill, capable; of £500,000 pre-tax in a good year, which did little more than break even while the stockholding division remains a problem? and division remains a problem and its contribution probably haived. Yet it remains a crucial reeder Yet it remains a crucial feeder to the tubes operations and margins are said in he improving. If income remains, the investment criterion during these uncertain months, the CCA cover looks somewhat slim at about 1.1 times. The increased depreciation charge, bowever, shows that casb flow is running

budget. Industrial action dorms

#### Bambers well ahead so far

TURNOVER AND profits of Bambers 5tores, formerly Vernon Fashion Group, are well ahead for the six months ended July 28, 1979 and despite trading conditions remaining difficult, adds. the directors look forward to a

Following a jump to £2.79m for the previous year, pre-tax profits for the period rose from £629,000 to £1.06m on turnover up by £4.34m to £11.2m.

And from earnings of 3.63p (2.21p) per 10p share the interim dividend is effectively raised to 0.85p (0.476p) pet, costing £203,660. The directors intend to recommend an increase In the total at least in line with improved results—last year's final was an adjusted 0.63330.

In May directors said that prospects were excellent, and that the first quarter of the current year had started with sales well ahead. Mr. S. Marks, chairman, says that trading conditions in the High Street were particularly and resulted in an effect on turnover dverse during the latter part of the six

A total of 21 branches were pened, making 157 hy the end of July, "and our expansion is continuing," he states.

have remained difficult, Mr. Marks says, but directors continue to be optimistic, he

Trading surplus ..... 906 151 Profit before tax ..... † In property disposal.

comment Bambers' progress continues, yet

the market creeted the figures by clipping 10p off the price to 120p. First balf profits are twothirds bigher against a back-ground of difficult trading conditions. Admittedly the company expansion programme but even after stripping out the contribuper cent, with a volume gain of nearly a tenth-a performance which compares favourably with other stores groups. Conditions continue to be tough, so new

In the opening weeks of the able to bold its edge in the second half trading conditions market for around £4m protex for the year. At this level the fully-taxed p/e is 149 while the yield is 24 per cent—a rating which looks expensive.

#### Yearlings up to $13\frac{1}{2}\%$

The interest rate on this weeks hatch of local authority yearlig bonds is up from 134 per cent to 134 per cent. Issued at par, they are due on October 29, 1988.

The issues are: Wansbeck DC (£0.25m), Bassellaw DC (£0.5m), (£0.25m), Bassellaw DC, (£0.5m), East Lindsey DC (£0.5m), Lock-ber DC (£0.25m), Birmingham DC (£1m), Chy of Dundee IE (£1m), Cambridgesbire CC (£0.5m), Cleveland CC (£0.5m), Borough of Cynon Vallge (£0.25m), London Borough of Wallbam Forest (£1m), Metro-Waltham Forest (£1m), Metropolitan Borough of Wigan (£1m), Colchester BC (£0.5m), North Northaron DC (£0.25m), City if Wakefield Metropolltan (£0.5m1. Barking BC (£0 5m), Borough of Thamsopenings will be especially down (£0.5m). South Ribble Ellmportant in the second balf—20 is raising £0.5m through 134 pr down (£0.5m). South Ribble E cent honds due October 21, 198

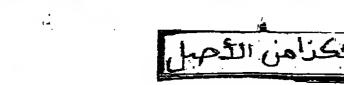
## Helene of London Limited

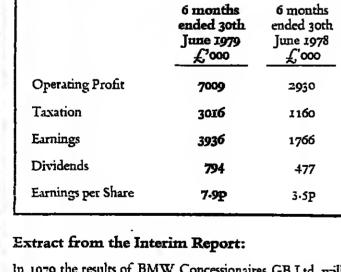
**Profits for the Half Year** increased by 30%. Turnover increased by 14%.

**Current trading** continues to be satisfactory.

1978	d results for 1978 Six Months	the six months ended 30th	June, 1979 1979 Six Months
£	£		£
12,922,260	5,947,795	Turnover	6,788,823
1,468,437	<b>556,31</b> 8	Net Profits before tax	729,304
784,504	295,000	Tax (estimated)	390,000
683,933	261,318	Profit after tax	339,304
5.4p	2.1p	Earnings per 10p share	2.5p.

HE Helene of London Limited Our principal activities are design and manufacture of fashion leisurewear and textile merchanting





In 1979 the results of BMW Concessionaires GB Ltd. will be especially good but these profits will be foregone when the manufacturer takes over the import concession at the end of this year. Nevertheless in 1980 and beyond improved performance from other activities should support the new level of Group earnings.

Unlike most other international businesses based on London, we are benefiting somewhat, rather than suffering, from the current strength of sterling, as the proportion of our profits derived from the sale of imported goods in this country has ourweighed that earned in foreign currencies overseas.

With a view to spreading dividend payments more evenly throughout the year, it is the intention in the future to distribute to shareholders at the time of the interim dividend approximately one third of the expected dividend for the year. The 1979 interim dividend therefore represents an annualised increase of 35%.

The full text of the Company's Interim Announcement for 1979, and the 1978 Report and Accounts, are available on request from The Secretary:

Tozer Kemsley & Millbourn (Holdings) Ltd. 28 Great Tower Street, London EC3R 5DE. Tel: 01-283 3122, Extn. 272

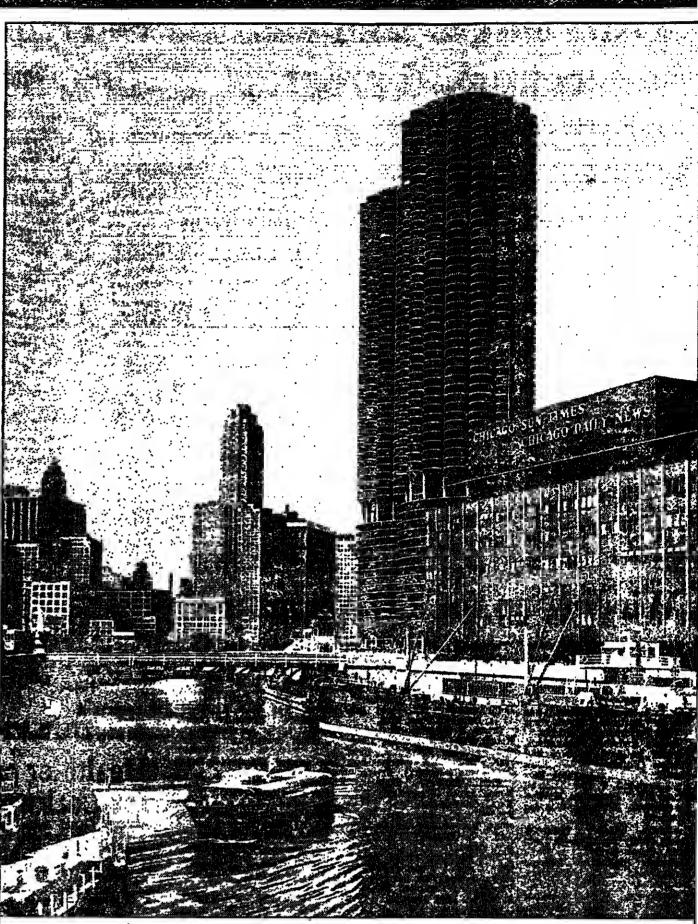
Export Services Limited 37 Queen Street, London EC4R IBY. Tel: 01-256-5281



d su far



City of London. Average prime office rental £17.00 per sq. ft.



City of Chicago. Average prime office rental £8.80 per sq. ft.

# Chicago has a long way to grow.

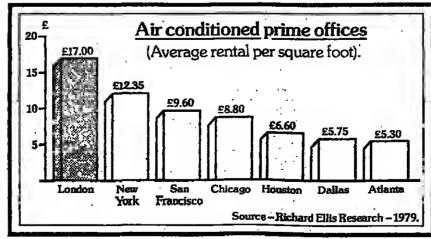
For Chicago you could also read Atlanta, Dallas, Houston and a number of other American locations.

We're not just listing names of cities, but marking out considerable opportunities for the British investor in property. Where real estate values are not simply lower than values on this side of the Atlantic, but also offer considerable potential for investment growth.

We've noted that a downturn in construction following the previous recession in the US economy has led to a heavy pre-commitment of new property space. This factor, combined with

constraints on borrowing capacity and a powerful environmental lobby, is creating an acute shortage of prime office space in many key business centres.

Richard Ellis are amongst the leading



All rentals in US are inclusive of real estate taxes and all outgoings

property investment consultants advising a number of pension funds and institutions on their real estate portfolios. Over 24 offices in 11 countries provide an international service, and include two in the USA dealing exclusively with property investment advice. For a number of years we have been advising clients on the creation of property investment portfolios in international locations.

For more information on American or other international investment markets contact Andrew Huntley or Chris Budden at Richard Ellis, 64 Cornhill, London EC3V 3PS. Telephone: 01-283 3090.

Richard Ellis
Chartered Surveyors

## TKM surges £4m and sees continued progress

TAXABLE profits of Tozer Kemsley and Millbonrn (Holdings), what from the strength of and investment group, surged tion of profits derived from the from £2.9m to £6.98m in the first sale of imported goods has outpected to cootinue throughout currency overseas. the year.

The surplus was boosted by a \$3.02m (\$1.16m) and minorities. substantial locrease in the share estraines came through well of ossociote componies' profits- ahead at £3.94m, compared with up from £0.64m to £2.35m.

The directors say they inteod to distribute at the time of the interim dividend about one-third of the year's total. Therefore the Although at a year's high of 76p,

	Six	monthe
•	1979	1978
	2000	ECCO
Trading profit	4.658	2 286
Asseziates	2.351	644
Operating profit	7.009	2.530
inresear*	31	31
Profit before tax	0.978	2,899
.Taz	3.016	1,150
Net profit	3.962	1.739
Minorities	26	27
Earnings	3,830	1.766
Extraordinory dobit	_	118
· Available	3.936	1,648
Dividends	794	477
Retained	3 142	1,171
*On & per cent loan	stock.	
The deserters con-	there is	1050

The directors soy that io 1979 the results of BMW Concession-oires GB will be especially good but these profits will end when the manufocturer takes over the impuri concessions at the end of the year. However, in 1980 and heyond, improved performance from other octivities should support the new level of group

Orders for the compulsory winding up of 127 companies

were mode by Mr. Justice Oliver

Bronzeplan. Breadinore and Wohh, G and C Tunnel Services, Powys Promotlans, Digomill. See

Breeze "Naftiliakai Epicbirisels

Etairia Periorismenis Efthinis." Sylivia Anderson Productions.

sions Brokersi, T. Cherrimon of

Oxted, H.F.T. Properties, Morilyn Investments, Moorgote Weaving

Andeon Trading Company,

Beach Priory Development Com-pany, Copewell Builders, Guy's

Menswear (Solihull), Pantheon

Management Services, Rosation, Ulfornium, Costland.

Systronics, Golden Colour (Caterers), Demille Construc-iloo, W. J. Simms Sons ond

Cooke (Southern), Berrybret,

Crowrole Crampton Marine. The

Paul Fletcher Kitchen Centre.

Kingsion (Tunbridge Wens, Hermcrest, Compan

Refrigeration Company.

Heathmay Insuronce Brokers, Stroud Extrusions, Badata, Hunt's Mill Steel Works, Arthur

Wells),

pany, Truestyle, A. Efty Trading

B.S.T.M. Construction Com- Importers.

In the High Court. They were:

the internotional finance, trading sterling, they add, as the proporhalf of 1979. And progress is ex- weighed that earned in foreign

After tax for the half-yeor of

of the year's total Therefore the current poyment is stepped up from 0.9558p to 1.59p, represent the uncertainty of bow, in the ing on onnuclised increase of 35 per cent.

Six months 1979 1978 1978 at a year's night of ropt, TKM's share price still reflects the uncertainty of bow, in the short term, the compony is going to reploce earnings from the BMW franchise after termination in December. Assuming the company is going to squeeze the last drop from the concession before it ends—and in 1978 it probably contributed more than half of the group's £7.7m nperation profit—the market's concern is understandable. The compony is confident that it can make up the shortfall from other octivities, eapecially from Price and Pierce's forest product activities and the international trode and finance division where there is plenty of room for growth. However, it is difficult to see the company relying solely on nrganic growth. The most likely strotegy is to couple this with a substantial acquisition. for which there should be no trouble in finding the necessary

cash. Until then, TKM's rating is unlikely to match its fellow

Winding up for 127 companies

Design Studios, Borley Kirk (Southern), Carmel Michel, Con-struction Services (Norbury),

Compreheosive Household Ser-

Copysavers (Copiers), Ervale. Alan Sawyer, Skoteshaw,

Ronold Smith (Shopfitters). F. J.

Ham (Mochinery) Co., Chine Productions, Somerset Road-

stone, Trahur Painting Contrac-

BKC Builders, Cirius Securities, H. and J. Flooring, Mansert Shipping, Seal-Tite. Boralynn, T.

Garner and Company (Wolver-hampton), Line Records.

Ferrycombe. Ess and Gee (Turf Accountants). Willow

Brook Automobile Recovery Ser-

vices, Compentrad, Sneatoncourt,

Brecondene, S. Cotter (Con-

Antiquorius, Lovell Groceries,

Belper Milk Transport, Brian Services, Ubique Tyre Distribu- hell was rescinded and the M. Mills (Sheffield), R. Miller tors, International Morine Con- petition dismissed by consent.

Crow Oil Company, Mace Enter-prises (Bollington), Ian Good-

(General

Quartet

Engineers).

year and Co.

Investments,

Kingslon and Son. Plumboh troctors1. Bracewood, Hadden-

London

Group 3 Creative, M and H

vices. Diomond Plont Hire,

Sylivia Anderson Productions, Hotels, Plarglow, Richard Jacob Pesante Builders, Robbins and Ond Partners, Paiathene, Bow-

Morfett (Bullding Contractors), rose, East Coast Engineering, Shevill Parkes (Life and Pen. Copysavers (Copiers), Ervale.

(Furriers). Firheck Piant sultants. Deep Freeze (Luton), Services, Nitto | Cash and Carry | B. and R. Slacey Properties, Bruton Decorators (Liverpool).

first bolf earnings, the prospective fully taxed p/e is 5.6 while the yield is 9.1 per ceot com-pared with 8.4 and 7.6 per ceoi respectively for the sector

## Rediffusion TV cuts

A SHARP fall in second balf profits has left the toxable aurplus of Rediffusion Televisiun. o subaidiary of British Electric Traction, down by over £2m. from fill 31m in £9.22m for the year ended July 29, 1979.

The dividend for the full period is cut from 63p to 53.5p net per £1 share, with o reduced final paymen; of 38.5p (48p). For the year, turnover expanded £68.85m to £72m. Prelax figures included interest receivable of £2.25m |£2.48m1. hut was struck after interest charges higher at £780,355

1£291,082).		
		1577/78
Tuingvar	72,0t 6,000	60,852.00
Trading grofit	7,743,222	
Interest receivable	2,254,300	
Intolast psyable	780, 355	
Profit before tax	9, 217, 167	
Tax	4,985,165	5,991.48
Profit and tex	4,232,002	5.315,05
Minority interests	1,384,410	
Attributeble	2,847,592	3,323,16
Davidanda	2.847.592	3, 333, 16

Genmil, The Oldham Press Agency, P. ond W. Plasterers,

The Hen Party, Turtlebest, Jet-

bourne, Trans Eurn Express. Heedskill, Piccodilly Cinema

(Sparkbrook), Accounting and

Financial Recruitment Services, L. F. Asthury, The Wroxham

Boat Agency, Microleader, Beoch-

Bryn Polyn Engineering, Lime-

hurst International Travel, Elizabethan House Securities, Boiler Controls and Instruments-tion, Hi-Speed Trailers (Sales), Walker Haulers (Wolfingham)

Walker Hauloge (Wokingham), High Lowns, Neolastic, Trans-

An order made on October 8,

1979, for the compulsory winding up of Castmayne was rescinded and the petition against the company dismissed

An order made on October 15.

1979, for the compulsory wind-ing up of Stovoid Serigraphics was rescinded and the petition against the company adjourned until November 12.

An order made on October 15 for the compulsory winding up

A compulsory order made on

dale Builders.

by consent.

Capital Fruit petition agoinst the company dismissed by consent.

Andron (Bullders). Trinity Maintenance and Support October 15 against R. A. Camp of canned meat products is to be

tory.		
	Hall	70
	1979	· 1
	£000	E
Sales	24,38t	20
Ospreciation	844	
Tieding grofit	3,458	- 2
Profit charing	103	
InterDet	40	
Profit before tax	3.315	
Tox	580	
Nat profit	2,735	
Minorities		
Estraordinary dobit	22	
Attributable	2.713	- :

comment

With the dry-cleaning market almost static and the textile side

manufactured at Goole ond

## Sketchley up 19% midway

BOARD MEETINGS

The following companies have neithed

TODAY
Interims. Burrail, Coates Brothers
Continental Investment Trust. Hosering

ham. London and Northorn. John Manziae, Newman Industries, Telephone

Menziee, Newman Inquetries, Telephore Rentals, Truot Union. Finels: Article Asests Truat. Dewney Day, Gomme, William Low, M.Y. Dart. North Atlentic Securities. J. Smert (Contractors).

FUTURE DATES

prey to cyclical influences

(which are beginning to pinch egain). Sketchler is putting most

of its eggs in the industrial work-wear basket. The £4.6m per year

contract from the NCB is the most significant element in this

division and should make e healthy contribution to second

half profits, as the cost of pur-

chasing garments is offset by rising revenue. The second half

lost year was depressed by the weather so, all in all, full-year

earninga could show higher growth than the 19 per cent recorded before tax at the

interim stage. This is already discounted in the abare price, however, as profits of £6.1m this

year would produce a fully-taxed p/e of 10.6 at 212p. A total dividend of 7p tooks to he the

Sketchley target this year, giving

o yield of 4.8 per cent. A higher

pay-out might be imprudent

given the threat to textile earn-

ings and the possible impact of a

fall in consumer spending nn the

At year-end, hank borrowings amounted to £10.63m (£8.82m),

and mortgages and loans £3.28m (£2.41m) and cast stood at £0.6m (£0.41m) As reported with results on October 11. the net dividend is raised to 4.30443p (4.11996p).

Doring the year the chairman reduced his interest in the equity from 1.41m to 106,825 abares by the transfer of 1.31m sbares to a discretionary trust for the benefit of the Lockwood family.

WASHINGTON, D.C.

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Interims:

RPB Indusines

Viebaters Publications Finals:

hnting to the improvement, taxable profits of Sketchley, industrial workwear reniol, dry cleaning and textile finishing companies for the concern, expanded 19 per cent from £1.78m to £3.32m for the six months ended September 28, 1979. Turnover odvanced by 22 per cent to £24.58m.

For the 1978-79 year profits

The tolkewing companies for the ficial meetings or the Stock feets of Beard meetings are usually hald for the purpose of reconstruing formations are usually hald for the purpose of reconstruing formations are usually hald for the purpose of reconstruing and the sub-frameous shown below the based meeting on lear years meetable.

had risen to B record £4.94m, and the directors said the current year should he one of

recovered in September and remain buoyant.

remain buoyant.

Record results were achieved in the industrial division, with all of its workwear rental factories operating profitably, and the Notional Coal Board contract coming on stream well was to schedule. up to schedule.

Trading results of the textile aector match those of last year,

they add.
On an SSAP 15 basis earnings per 25p share, for the ball year, are shown as 16.2p (16.4p); and 10.4p (9.3p) on a full tax

The interim dividend is increased to 2.8p (2.2p) net, last year's final payment heing 3.294p. The directors hope to pay a final, appreciably higher than last year, assuming trading con-ditions continue to be satisfac-

tory.		
	Hall 7001	
	1979	1978
	£000	£000
Sales	24.38t	20.137
Oepreciation	844	748
Tieding grofit	3,458	2,864
Profit ehering	103	_
InterDet	40	75
Profit before tax	3.315	2.789
Tox	580	493
Nat orofit	2,735	2 292
Minorizao		2,29
Engage debie	22	445
Entraordinary dobit		T47
Attributable	2.713	2,332
t Cradrt.		

## RESIDENTIAL PROPERTY LEGAL NOTICES IN THE MATTER OF G. C. RECORDS LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948 NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound us, are required, on or before the 21st day of November, 1979, to send in their full Christian and aurnames, their didrimsess aird descriptions, full oerticulare of their debte or claims, end the names and addresses of their Solicitors (if sny), to the undorsigned

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tore (if any), to the undersigned KEITH OAVID GDOOMAN, FCA.

ol 3'4 Bentinck Street.
Lordon VIA 38A
the Louidelor of the end Company,
and it so required by notice in writing
trom the said Liquidator, ero, personally

or by their Solicitors, to come in and prove meir debts or claims at each time and olece as shall be specified in authorities, or in deleuf; thorsel they will be excluded from the benefit of ony distribution made bolore each debts are proved Dated this 10th day of October 1279.

KEITH DAVIO GOODMAN, FCA, Legisland.

IN THE MATTER DE

IN THE MATTER DF
HUBYARN LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948
NOTICE IS HEREBY GIVEN that the
creditors of the above-nomed Company,
which is belong adjuntarily wound up,
are required on or before the 5th day
of November, 1979, to send in their
full Christian and aurasmes, their
addresses and descriptions, full perficulars of their dabre or claims, and
the names and addresses of their Sohotters (il any), to the undersigned

ters (il any), to the undersioned philip MONJACK.
ol 3/4 Bentinck Street, Landon WIA 3BA.

Landon WIA 38A.

In a Louidator of the said Company,
and it so required by volice in writing
from the said Liquidator, are, cersonally
or by their Solicitors, to come in and
prove their debts or claims at such time
and place as shall be specified in such
notice, or in default thereof they will
be excluded from the benefit of any
distribution made before auch debts
are grossed.

ere proced.

Detail this 28th day of Sagtember 1279.

THE COMPANIES ACTS 1948 TO 1976

THE CIMPANIES ACTS 1948 TO 1976
FORMWORTH LIMITED
NITICE IS HEREAY GIVEN ourseent to
section 293 of the Compenies Act 1946.
that a Meeting of the Creditions of the
soove-semed Compeny will be held at

THE COMPANIES ACTS 1948 TO 1978
J. R. SHIPPING COMPANY LIMITED
NOTICE 15 HEREBY GIVEN oursuant to
soction 293 of the Companies Act 1948,
that a Meeting of the Creditors of the
above-named Company will be held at
the offices of

the officee of LEONARD CURTIS & CO., 3,4 Sentinck Street, London V/IA 3BA.

attend.

ANY poreon ontitled to attend the said Meeting can obtain copies of the said Schoms of Atrangemest, forms of Proxy and copies of the Statement required to be furnished pursuent to Section 207 of the above mentioned Act at the registered office of the Company situates at 3rd Floor, 52/54 Leadenhall Street, London EC3A 2AB, at the offices of any of the Registrate of the Company hardinafter referred to end at the offices of the undermentioned Solrectors at the address montoned below during usual business hours on any day

proxy to ettend and vote in their stead.

In the case of joint holders the sota of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order is which the names stand in the Register of Mombers.

It is requested that forms appointing growers be lodged:—

it is requested that forms appointing growers be lodged:—
it is requested that forms appointing growers be lodged:—
it in the case of Shareholders registered on the Principal Register of the Company with Hill Samuel Registrate Limited at 8 Greencoat Place, London SWIP P.P. England;
in in the case of Shareholders registered on the Maleysian Register of the Company with Berbinder & Co Sdn. ot 3td Floor. Wisma Sochin, Jelan Samenten, Osmessare Heights. Kuale Lumpur, Maleysian of Shareholders register the case of Shareholders register the case of Shareholders register than the case of Shareholders register.

aera Heighta. Kuala Lumpur, Melayais;

(in) m the case of Sharaholders registored on the Singspore Register of the Company with Barbinder & Co. Ptc. or Sugreme House. 12th Floor. Penang Rood. Singspore (922; and (in) in the case of Sharaholders registered on the Hong Koep Registar of the Company with Lowe 2Ingham & Mesthewe at Prince's Building. 22nd Floor, Hong Kong; and in all cases not less then 48 hours before the time appointed for the said Mesting.

By the said Order the Court has oppointed Tun Ten Siew Sin or failing him. Jemes Reid Scott or failing him. Y.M. Tunku Ilsto Ahmed bm Tunku Mestings and has directed the Chairman

**PUBLIC NOTICES** 

PHILIP MONJACK.

Liguidator.

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excellent residential area stated within f-mule of town and attron with easy access to M25. Carelully modernised to e high atenderd compressing 3 acception rooms 4 double bostrooms (I with saune and bath en eurto), I single bostroom, 2nd bathroom, turury krichen, utity room. Gas central heating throughout. Bouble gampo. Yell mainteined gerden with large soove-nemed Company will be held at the offices of LEONARD CURTIS & CD., 3/4 Bentanck Street, London WIA 38A, on Wednesdoy, the 31st day of Ocreber 1879, at 12 o'elock middey, for the purposes mentioned in sections 294 and 295 of the seid Act.

Octed this 17th doy of October 1979, 3y Brder of the Seard, JIDHN CONNOR, Director.

FREEHOLD (150,000 p.n.o. M. GORDON & CO., 11 Connaugh: Plece, W2. Tel: 402 6660.

#### **EXHIBITIONS**

London V/1A 3BA.

on Thursday, the 1st day of November 1979, at 12 o'clock midder, for the purdoses monitioned in sections 294 and 295 of the oard Act Oeted this 16th day of October 1979.

By Order of the Board, MICCILAE RATIU, Director. GOLDSMITHS' HALL. THE SCHRODER NERTTAGE. An exhibition of Rensistance treasures at Goldsmiths' Hall. Foster Lane, E.C.2. Mon-Fri, 10 15-5.00 onto 26th. Admission free. Lecture oy Dr. John Herwood, 23rd. Enquires 606 8971.

#### RIVERSIDE FLAT

Ideally artuared for the City, with free parking and use at garden. Accommedation comprising stiting room, shall bedraom wito 2 full size bunk heds. Jarge breflen and batteroom, centrally beated. 01-240 4530

#### NOTICES

GENERAL MINING AND FINANCE CORPORATION LIMITED
Incorporated in the
Republic of South Africa)

FORWARD SALES booked by Lockwoods Foods since June are substantially ahead and profit margins are showing a bealther trend, says Mr. Philip Lockwood, the chairman.

Large cost sovings will result from a greater concentration of frult and vegetahles at the Long Sutton ond Boston factories. Also the Goole factory will henefit from an extension of frozen food activities with the erection of a deep-freeze store and facilities for breaking down from hulk to smoller retail units.

The company's meet canning operation in Holland has continued to achieve hetter results. In the UK, following the Colsure of the Liverpool coming factory, a limited range of canned meat products is to be

The purchase of the meat conning interests which Lockwoods had been inanaging in the meat conning interests which Lockwoods had been inanaging in the story of the use of both the bnildings and plont involved is now being improved and a recent valuation of the French company's assets has thrown up a useful surplus, Mr. Lockwood points out.

In 1978-79 high interest rates pushed up Lockwood's finance costs hy over £1m, and the effects of the transport strike effects of the transport strike competitive situation brought about by high production of canned vegetables, the group flushed the year to May 31, 1978, with taxable profit sharply down from £2.25m to £0.91m

At vear-end hank horrowings COUPON NO. 10S

Holders of share warranta to heaver will receive payment on or allor the 2 November. 1979 at the rate of 14,064546 the omeunt declared per share less 2,109680 being Sooth African Non-resident Shareholders' cax of 15% against surrender of Coupon No. 109.

Coupons must be deposited for THREE CLEAR DAYS for inspection before payment will be made; in conden at National Westminster dank Limited. Stock Office Services. Sti Fiper, Drapers Gardens, 12 Throsphorton Avenne, London, EC2. In Paris at Credit on Nord. 6 & 0. Boulevard Haussmann, in Beste at Swess Bank Corporation. In Zorich at Credit on Nord. 18 (1) and 10 per payment of the coupons belonging to holders resedent in Great Spitalin and Northern

ing - empunt: UA 20.000.000.

CANADA-UNITED KINGDOM FREIGHT CONFERENCE

LATEC INVESTMENTS LIMITED NOTICE IS HEREOV GIVEN that

ANTIGUA. WEST INDES. Island of Beaches. For norlday beach. Contages to the contage of the contag

#### PERSONAL

ANE—Hamleys Wigmore St. store have not their tremorks in. Gel along there outckly. They're test behind Debethams Oxford St. Gay.

**ART GALLERIES** 

Nedifern Gallery, William DELA FIELD COOK NEW PAINTINGS OCTOBE 2-31. 20 Cork Street, London. W. Mon-Fri 10-5.30. Sat. 10-12.30.

## CANADIAN NORTH ATLANTIC WESTBOUND FREIGHT CONFERENCE COMPANY WESTBOUND REGISTO CONSURENCE NOTICE TO SHIPPERS. TRAFFIC FO CANADA TERMINAL SCRVICE CHARGES PRIOR TO SHIPPERS. TRAFFIC FO CANADA TERMINAL SCRVICE CHARGES PRIOR TO SHIPPERS. The Member Lines of the Mone Conference operating services to Canadian Marrithms, St. Lawrence River and Great Lines, St. Lawrence River and Great Lines of the Mone Conference operating services to Canadian Marrithms, St. Lawrence River and Great Lines, Lawrence River and Services to Canadian Marrithms and Income that the Control of the Member Lines was introduced, a substantial necesser the excortingle between Lines was introduced, a substantial necesser the excortingle the Member Lines, have so alternative but be increase the charges in question with effect from 1st December 1579 as follows; Moose-to-nouse and house-to-oper containers including propagate traffic moving ander Rule 13— Containers in excess of 20° in length Containers and excess of 20° in length Whoeled or tracked of the process container Whoeled or tracked of their container Whoeled or tracked of their container Auximum per unit \$5.25 Maximum per unit \$5.25 Auximum per unit \$6.000 per Container Wheeled or tracked on their container Whoeled or tracked on their container Auximum per unit \$5.25 Maximum per unit \$5.25 Auximum per unit \$6.000 per container Sold of the container Auximum per unit \$6.000 per container Auximum per unit \$6.000 per container Wheeled or tracked on their container Wheeled or tracked on their container Sold of the container Containers in excess of 20° in length Wheeled or tracked on their container Whoeled or tracked on their container The container of the container The container of the container Container in excess of 20° in length Wheeled or tracked on their container Whoeled or tracked on their container Wheeled or tracked on their container Containers in excess of 20° in length Wheeled or tracked on their container Wheeled or tracked on their container Wheeled or tracked on their container Containers in excess of 20° in length

DIVIDENT NO. 107-

deduction of South African Mon-resident Shareholders' Tax of 15° a Less: United Kingdom In-Come Tax of 15° an the gross amount of the Dividend of 14.05454g

5.84510

THE COPENHAGEN CHUNTY AUTHORITY SUCCESSION 1975/1985 UA 20,000.000 The Fiscal Agent RREDIETEANK S.A. Lurembourgaoise.

HORNE BROTHERS LIMITED

CLUBS

## **Linfood Holdings Limited**

bom Decorative Interiors, Tell- for the compulsors winding up exit, VCL (Jersey), Deafon, GAC of Bestate was rescinded and the

 UK sales during the period amounted to £800 million. In addition the sales of overseas companies amounted to £31 million.

to 9.75 p per share (net).

The dividend has been increased

 The company is confident that it is now in a strong position to advance successfully in the changed environment in which it operates.

	<b>1979</b> £000′s	1978 £000's
Sales	831,498	327,405
Profit before taxation	7,553	5,155
Net tangible assets	37,244	18,539
Earnings per share .	18 <b>-</b> 0p	20-1p
Dividends per share (net)	9·75p	9·3868p
Net tangible assets per share	110p	· 89p

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## Results for the year ended 28th April 1979

The Secretary, Linfood Holdings Limited, Brettenham House, 14 Lancoster Place, London WC2E7EF

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BIFMINGHAM

PROPERTY

**BIDS AND DEALS** 

The agreement has been epproved by the companies' Boards but remains subject to sharebolder approval and to

governmental and other consents.

KLEINWORT MAY

NCC BUYS

PEDDER INDEX

The National Computing Centre

## Lonrho keeps promise to expand SUITS

LONRHO is to make its bids for Harrison and Sons and Dutton-Forshaw through Scottish and Universal Investments, the subsidiary acquired last year after, a reference to the Monopolies Commission and a hard-fought bid hattle.

The reasons for channelling the bids through SUITS were threefold, said Mr. Paul Spicer, a director of Lonrho, yesterday. The general purpose was to futtal Lonrho's commitment to the Monopolies Commission to expand and develop SUITS in Scotland and elsewhere. In the dase of Harrison, a printing of Spillers, has still not recomcase of Harrison, a printing company, Lonrho also thought SUITS would make e suitable barent aince it already controlled all the other

parent aince it already controlled all the other printing and publishing interests in the Lourho group. And in the case of Dutton-Forshew, the motor distributor, Lourho wanted to emphasise that if Dotton-Forshaw was acquired, It would be entirely separate from Lourho's Volkswagen dealership. In accordance with the new arrangements, SUITS yesterday agent out its formal offer to Harrison shareholders Mr. M. A. Heller, the chairman of Harrison, recommending the deal, says Heller, the chairman of Harrison, recommending the deal, says that the company has suffered a cash shortage "which would have had serious consequences for your company were it not for the offers by SUITS." He attributes the shortage to e large shortfall in the volume of trading stamp orders, the cost of modernisation and the road haulage strike. He announces an unaudited

Mr. Michael Vernon, coarman of Spillers, has still not recommended that shareholders accept Dalgety's hid. Yesterday he wrote again to shareholders outlining their three choices, now that Dalgety has over 61 per cent of the equity.

the equity.

They can, he says, opt to remain as minority shareholders.

Or they can sell in the market either their Spillers shares or the Dalgety shares they receive in exchange. Only as a third alternative does he point out that they can accept and hold

Dalgety shares.

The final decision rests on, "individual circumstances" and professional advisers should be con-suited. For his part, Mr. Vergon simply regrets the loss of Spil-lers' independence.

NORTHERN FOODS U.S. ACQUISITION Northern Foods and Bluebird of the U.S. have signed definitive acquisition agreemen The announces an unaudited for Northern to acquire all less, after interest but before of Bluebird's approximately exceptional items of £135,000 4,839,000 outstanding shares for (profit £103,000) for the six a cash price of \$14.875 per share months to June 30, 1979. The

## **London Trust buys** more of Moran

Trust Company has Bowring underwriting agencies bought a further 100,000 shares a marine underwriter, in Christopher Moran Gronp, the They will be hearing the cases in Christopher Moran Gronp, the insurance broker with large Lloyd's interests. On the stock market Moran's shares rose 2p to 29p. London Trust's stake in Moran

now amounts to 1m shares, representing 5.76 per cent of the appointed the three orbitrators

hear the cases of three officers of Moran against whom Lloyd's bas instituted statutory

ring Insurance (Holdings), Mr. Transport for-Peter Foden-Pattinson of Foden sum.

of, respectively, Mr. Christopher Moran, managing director of Christopher Moran Group, Mr. James Redgrove, the former chairman of the group, and Mr. ounts to 1m shares, Reid Wilson, underwriter for ing 5.76 per cent of the syndicate 566, managed by Harman Headley Agencies, part of London has of the Christopher Moran Group.

MATHESON FREIGHT Matheson Freight Services, the proceedings. ... air freight forwarding and travel.

The arbitrators are Mr. Bruce agency subsidiary of Matheson and Co., bas purchased Industrial deputy chairman of C. T. Bow-

Pattinson underwriting agencies Industrial Freight is a medium and a non-marine underwriter, and Mr. Rooald Jones of C. T. agent with five offices in the UK.

#### Cope Sportswear speeds up Pennywise purchase

Cope Sportswear, the sports number of its retail outlets from and leisure wear manufacturer, three to 10 during 1979, will be is speeding up the acquisition of entering its most profitable the 35 per cent of Pennywise House hold Discounts which it does not already own.

It is making its purchase from Mr. S. Fearnley and Mr. P. P. Appell, directors of Pennywise, in a deal worth £150,000, of which 29,178 is in eash and the balance in shares.

Cope Sportswear reports that, following the first quarter set-back, tradiog bas returned to a more satisfactory level. And the company is beginning to reap benefits from its recent expan-sion. The addition of Sperrin will be too late to effect full-year

Fashions, acquired in 1978, has occupied a second factory which is reaching full production. Fabrics will be making its first full six months' contribution and Pennywise, which will have increased the

period in the months before Christmas.

With the addition of Fabrics and the growth of Pennywise, the group pattern of trade bas changed, and it is anticipated that second half sales will be

higher than in the first.
The Board intends to recommend a final dividend of 0.5p. making 1p (0.2012p on old capital).

ASSOCIATES DEALS
W. Greenwell and Co. has sold
59,000 Estates, and Agency Holdings ordinary shares at 132p for
associates of the company.
Cazenove and Co. has bought
on bebaif of Rothschild Investment Trust 25,000 Hume Holdings "A" ordinary at 941p and
361,500 6 per cent convertible
preference shares at \$2.00. preference shares at 82 top.

#### COURTNEY, POPE (HOLDINGS) LIMITED

PRELIMINARY STATEMENT FOR FINANCIAL YEAR ENDED 31st MAY 1979

The audited result of the financial year ended 31st May 1979 is as follows:

17,980 841 274 567 Profit before Tax ..... Taxation\*
Profit after Tax
Earoings per 20p share (after Tax)
Dividend (per Share): 11.58p

Proposed Final 1.85p 1.417lp
Making Total for Year 3.05p 2.417lp
\*After deducting £139,000 (£158,000) relief for increase in stock levels.

It is extremely pleasing to report that further advances have again been achieved and External Sales and Profits advanced around 11% on those for 1978. However, as anticipated in the Interim Report issued on 151b March 1979, margins were more difficult to attain in the second half-year.

Since that statement was issued, dividend restraint has been lifted and, accordingly, the Directors are recommending that the total dividend be increased by approximately 26% to 3.05p per share, which is covered 3.9 times by earnings. It is felt that to recommend a higher level of dividend would not be in the best long term interest of the company, bearing in mind capital requirements end pressure on liquidity by harsh-interest rates currently prevailing.

rates currently prevailing. Turning to the current year, pressure on margins continues. However, prospects and order books for all divisions in the Group are good. Certain supplies bave been disrupted by industrial action outside the Group which materially affects a company which is dependent upon performance and it is boped that these weeklams are not that these problems are not accentrated during the coming.

The Directors have confidence that the record of advance over the past four years should be

> D.R. PEACOCK, Deputy Chairman.

#### Imperial and Howard sign

agreement Imperial Group has signed a definitive agreement under which it will acquire Howard Johnson

The agreement calls for Imperial to pay \$28 cash for each share of Howerd Johnson, valuing the transaction at the previously announced \$630m.

The egreement is contingent Northern will be sending a circular to its shareholders giving details of the proposed acquisition. on the approval of shareholders of hoth companies and on obtaining satisfactory regulatory approval including approval in respect of state liquor laws.

**NEW VENTURE** BUY GERMAN BANK Continental Corporation, a New York based diversified finan-

Kleinwort Benson is holding talks which may lead to the acquisition of e small West Gercial group, and Reed Stenhous companies, the international insurance broker in which Sten-house Holdings has a 53.8 per man bank, Martens und Wey-beusen of Bremen. The hank operates as a private bank, but is owned by the state hank of Lower Saxony, Nord-deutsche Landeshank, based in cent equity interest, bave formed

cent equity interest, bave formed a joint venture company.

The new company—Continental Reed Stenhoose Management—will provide underwriting management services to syndicates on the New York Insurance Exchange, the U.S. answer to Lioyd's of London.

Services will be provided to Maiden Lane Syndicate which was organised by Continental Corporation earlier this year. The National Computing Centre has strengtheoed its information services by bnying the computer installation index operations of Pedder Associates which is emember of the Business Intelligence Services Group. PAL marketed the Pedder computer index which, having details of UK computer installations, was similar to NOC's national computer index.

NO PROBE The following proposed mergers are not to be referred to the Monopolies Commission—Guest Keen and Nettlefold/certain subsidiary companies of Armstrong Equipment Cabot Corporation Colors Stalling (III)

Corporation earlier this year.

NEWS ANALYSIS—SAINSBURYS' VENTURE

## Joining forces in D-I-Y move

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

"Out of the frying pan into the fire" was one immediate City reaction yesterday to J.

مكنامن الأجل

Tha comment referred to the fact that Sainsbury's was diversifying out of one fiercely competitive sector—food retailing—into a do-it-yourself market that threatens to produce equally intense cut-throat competition over tha next decade.

A number of mejor companies ontside the home improvements market are anxious to ensure that they do not miss out on a growth area which arguably has a huilt-in defence against recession, in that people will increasingly turn to do-lt-yourself as money becomes tight.

as money occomes tight.

The interest in the bome improvements sector was shown by the recent hid battle for Caledonian. Holdings and its Timherland chain of D.I-Y shops. Caledonian, which was floeted on the stock market for £6.5m earlier this year by Stenhouse Holdings, was sold to Comet Radiovision for £17.5m.

This takanyar followed the

This takeover followed the move by the W. H. Smith retailing and newspaper whole-saling group into d-i-y earlier this year with the £12m purchese of the Wassenter this pear with the £12m purchese of the Homecentres bome improvement stores chain from LCP Holdings. Sainsbury's decided against

Bot Sainsbury's bas always heen quick to acknowledge gaps in its expertise, which is why it entered into a joint partnership with British Home Stores for the development of its largest superstores, which trade under the SavaCentre name. Sainshury's, which traditionally has been strong in generical lakest been strong in groceries, linked up with BHS to use its expertise in non-food retailing.

The same philosophy has guided Sainsbury's D-I-Y move. It acknowledges that it lacks the expertise to develop this specialist markat itself, and helieves its retail expansion should be gradual to enable the company to learn as it expands. Sainsbury's has been conscious for the past few years of the need to diversify in the 1980s

because of the relatively static volume of demand for food in the UK. Although the company has captured an increasing share has captured an increasing share of the static grocery market—along with Tesco it has substantially increased its market share over the past two years—the long-term prospects for growth in grocery retailing must be limited.

But the only difference in its strategy to diversify into non-food retailing via SavaCentre and the description

Sainsbury's surprise announcement of plans to diversify into the fast-growing UK do-it-yourself market with the aid of a specialist Belgian retail group.

Strategy is organic growth rather than buying ready-made outlets, the dominance of the Brico home for the apparent reason that improvement stores chain in expansion from within is easier Belgium for some time and the personal acquaintance of Sains-bury's bas always.

Bot Sainsbury's bas always market. It's traditional retailing expertise. strategy is organic growth rather Sainshury's has been aware of expansion from within is easier to assimilate successfully.

Bot Sainsbury's bas always teen quick to acknowledge gaps its expertise, which is why it extered into a joint partnership with British Home Stores for the development of its largest superstores, which trade under the company led to informal talks, on a joint venture. Brico is owned by the Belgian group GB-INNO-BM SA (Grand Bazaar Browston Roy March).

Innovation Bon Marche). The Brico chain was started in 1973 and over the past six years some 22 Brico centres have heen opened, capturing nearly one-fifth of the Belgian home improvements market. These centres, some of which range up to 45,000 square feet, stock up to 20,000 lines for the amateur

D-I-Y enthusiast and the profes-Under the arrangement with GB-INNO-BM, the Belgian com-pany will provide all the operat-ing expertise—such as having

pany will provide all the operating expertise—such as huying and merchandlsing—for the new stores while Sainsbury will be Marley Homecare, although Magoet Southern is a major stores while Sainsbury will he responsible for site ecquisition and financing. Eventually, the new stores group will operate as separate retailing operation. Sainshury's will bave 75 per cent of the £1m issued shere espital in the new company, end GB-INNO-BM the remainder. Seinsbury's, however, emphasises that it will be very much a 'ioint venture."

The Sainshury-GB the decision to go into D-LY improvement centres will retailing is that It has gone out- modelled on the Belg

the acquisition approach to this side the UK to seek the formula, embracing a builders' ducts. The UK stores are expected to be smaller on aver-ege than the Belgian chain, and will average between 20,000 and 25,000 sqoare feet with car park.

The first is not likely to be open nntil mld-1980. Sainshury's hopes to open et least five new stores a year.

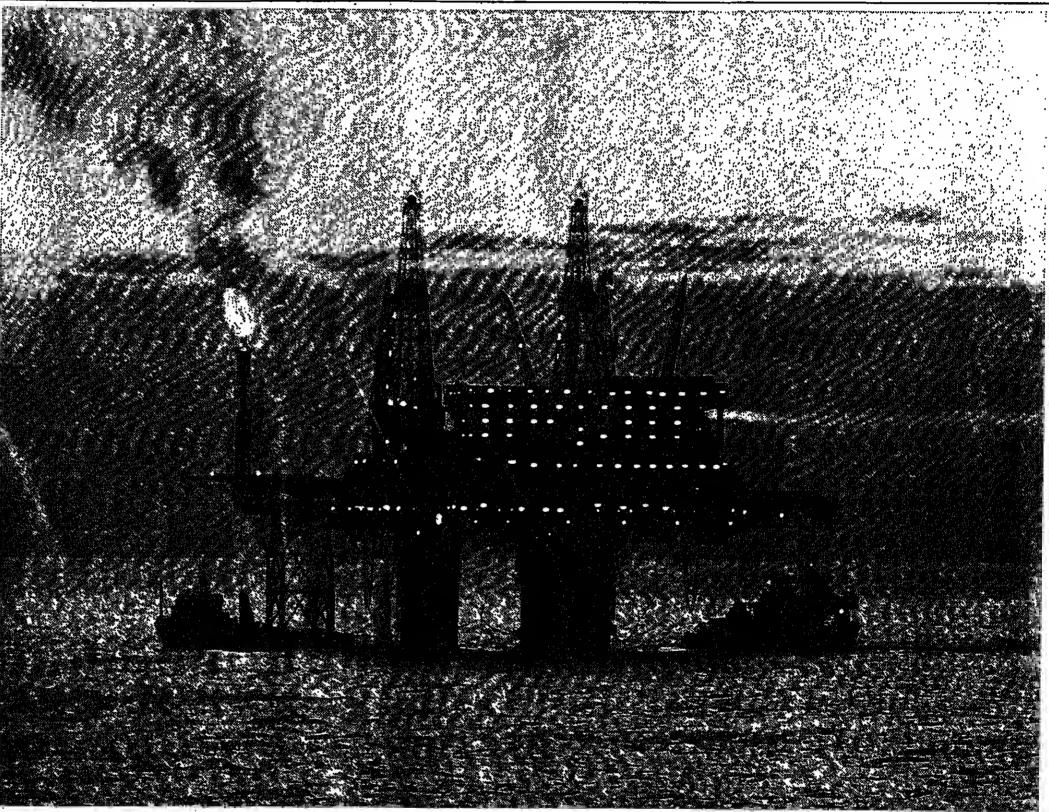
Eventually the company wants to huild home improvement centres adjacent to its own large stores. However, because of the long lead times in store development, the first of the bome improvement centres are unlikely to he linked to new super-markets.

Other leading multiples rowding into the D-1-Y market include Status Discount Home

Group

All the signs are that the bome improvements sector will con tioue to grow throughout the 1980s, although the rate of growth may not be as spec-tacular as in the 70s hecause of

the larger sized market. Sainsbury's own estimates suggest a 5 per cent market growth per year, although this is conservative by some



## BICC-people who make things work offshore

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#### MINING NEWS

#### EZ Inds. revalues its assets

THE AUSTRALIAN zinc producer and aspiring uranium miner, EZ Industries, bas revalued its assets for the first time in its 23-year bistor adding AS75m (£39m) to i assets, reports James Forth from Sydney. The revaluation, hastlifted sharebolders' funds to A8170m.

The directors have given no reason for the revaluation but is comes against the hackground of persistent buying of EZ shares by the mining and investment group, North Broken Hill.

North recently disposed of a 20 per cent stake in the mining and investment group BH South and bas pumped some of the funds into EZ. It has now built np a stake of at least 23 per ceot of the latter's capital.

The directors of EZ said the new valuations had regard 10, but were substantially less than, independent valuation of fixed assets in Tasmania where the zinc refinery and main mining

deal to cover the construction of a AS20m sulphuric acid plant at the zinc refinery, which would enable a 50 per cent increase in output of the acid.

Referring to the Ranger uranium project, in which EZ bas a 25 per cent interest, the directors said that discussions were at an advanced stage for the financing of EZ's sbare of the development costs.

## Profits surge in North America

BY PAUL CHEESERIGHT

North American mining groups of the decline of the Canadian is providing a cusbion against dollar relative to the U.S. unit:

is apparent from the Superent flow the space of groups, all of thich show that demand for the show that demand for the show that he exception of the show he had been appreciably arringer than in 1978. Although the space has seen zinc may to some degree be seen as a barbinger of difficulty, the market has been affected by special factors.

In the U.S. the most recent results show that base-metal producers profits have at the minimum been doubled: At Freeport Minerals, 1979 third-quarter earnings 827.8m (£12.9m) against \$7.1m in the same period of 1978, bringing the total for the first nine months

The directors also disclosed that EZ had arranged a leasing a 1979 third-quarter profit of deal to cover the construction of t to 875.4m against \$21.9m. a 1979 third-quarter profit of S16m (17.14m), thus raising this year's net earnings over the first nine months to 364.9m from \$14m in the same period of 1978.

quarter, compared with \$12.8m in the 1978 third quarter. This brings earnings for the first nine months to \$83.5m against \$35.1m. The performance by Canadian

A SURGE in earnings by major boosted by the additional factor greater North American mining groups of the decline of the Canadian marred, be effects of any future

charion in 1be U.S. Mr. William

Cominco had net profits in the

charion in 1be U.S. Treasury

(£16.68m) sharply higher than

(£16.68m) sharply higher than

the CS7.3m in the 1978 third

quarter. After the first nine

months, earnings had climbed

to CS13S.5m from CS35.6m in the same period of 1978.

> subsidiary, pushed net profits over the first nine months up to C\$15m (15.9m), from a lowly C\$274,000 in the first three quarters of 1978. O Brenda Mines, controlled by Noranda, earned a net CS1S.Sm

(£7.4m) over the first nine

• Vestgron Mines, the Cominco

months of the years, compared with CS9.4m in the first three quarters last year. O Lornex Mining, part of the Rio Tinto-Zinc group, bad net earnings of C\$40.18m (£15.8m) during the first three quarters against C\$7.5m in the comparable period of 1978.

The wide range of interests embraced by these groups testi-fies to the improvement on the metal markets, Freeport, Texasgulf. Phelps Dudge, Brenda and O Texasguli made net profits added henefit of molybdenum.

Solution (\$14.8m) in the third quarter, compared with \$19.8m. lead markets and it shared with Texasgulf and Freeport the gains from the greater steadiness of frailiser prices. This general pattern of

marred, however, by the crabness of the world zinc markets which affected most noticeably Texasgulf and Comineo. At the same time Western Nuclear, a Phelps Dodge company, has bad continuing problems with low priced uranium contracts, signed some years ago.

To some degree the bigner earnings are deceptive. Although they reflect higher mineral demand, rising market prices " to a large extent merely offset in-flationary increases in operating. environmental, regulatory and capital costs," according to Mr. Pierre Gousseland, the chief executive of Amax, another group whose earnings are at a

With energy charges accounting for up to 50 per cent of some metal production costs and likely to rise further, the North American industry is vulnerable to any downturn in demand a recession might cause.

Mr. Gousseland, at least, is sanguine. "The U.S. economy appears to be pausing, but we sanguine. expect the economies of Germany, France, Japan and other nations to continue opward, aithough perhaps at a slightly reduced rate. We anticipate that most industrial nations will have recovered by 1981."

Nevertheless, with profit levels suggesting a return to what now appear as the haleyon days of 1873-74, stronger groups are embarking on expansion and

Bougainville & Palabora LOWER copper and gold pro-

Lornex has decided to spend CS160m on an expansion of its

porrowings.

subsidiary.

same period of 1978.

ighland Valley mine in British

umbia in order to achieve a 68 per cent growth in its milling

meanworle

reached agreement in principle to buy for an undisclosed sum

become a wholly-owned Cominco

duction in the September quarter is reported by the Rio Tinto-Zine group's big Bougainville Copper open-pit operation in Papua New Guinea. The fall reflected lower militing of S.98m tonnes, compared with 9.39m tonnes in the June quarter, coupled with slightly lower ore grades.

rate by mid-1981. The expansion will be financed from company funds, supplemented by bank Cooner production in the Sep tember quarter amounted to 43,651 tonnes making a ninc-month total of 132,395 tonnes against 151,301 tonnes in the the mining properties in Canada of Zapaia Carporation of Houston. The package includes notably the Granisle capper mine same period of 1978. Gold output was 5.061 kilogrammes making \$,586 kgs agains) 18.199 kgs.

The RTZ group's Palabora in central British Columbia. But Noran la's affairs are changing in copper mine in South Africa has managed to replace the defective another way. Brascan has built sbells of its two autogenous mills in only 58 days compared with up a 16.3 per cent stake in the group and is seeking representathe original estimate of 120 days.
As a result, the loss of copper flor on the Board.
For its part Cominco has production during the change tsken an option to any from Bankeon Mines a 25 per cent over period has been reduced to 2,400 tonnes compared with the stake in Arrik Mines, which has earlier expectation of a loss of high grade lead-zinc properties in the Arctic. Arvik could thus

5,000 tonnes. Palabora's Sepicmber quarter copper output amounts to 29.444 tonnes making \$2.533 tonnes for the past nine months against \$7.491 tonnes in the same period of 1978 when better are grades were mincd.

South African gold production in September decreased to 1.910.611 ozs from 1.922.353 ozs in August. The total for the nine months to end-September 1979 amounts to 17.033.433 ozs compared with 17.090.187 ozs in the Copper sales, however, amount to 85,666 nannes for the past nine months against \$7.720 tonnes. Of other products, sales far the nine months of magnetite total 45,672 tonnes against 103,709 tonnes, sulpburic acid 77,153 tonnes (91,533 tonnes), vermiculite 133,184 tonnes (140,764 tonnes). Matthews Hall Ortech of Sale, Cheshire, bas been awarded two contracts by Amax to build an £850,000 pilot treatment plant at uranium concentrates 114,121 kgs (99,322 kgs). the latter's Hemerdon tungsten-

## Fidelity 25% up midway

AN INCREASE in taxable profits of 25 per cent—from £830,000 to 5788,000—is reported by Fidelity Radio for the half year to September 30, 1979. Sales expanded 22 per cent to \$10.8m, agaiast £8,85m.

Economic uncertainties surrounding the immediate future preclude any positive projections for the second balf, says Mr. J. Dickman, chairman, but a says factory unprecedent says Mr. J. Diceman, chairman, but a satisfactory improvement in last year's £1.7m total profit is expected. The increased demand of the opening months is maintained, and sales should hones, from consumer standard

is maintained, and sales shutid benefi: frum consumer spending prompted by tax repayments this month.

An interim dividend of 1.65Sp has been announced—last year's corresponding payment was 1.443p, followed by a final of There is a tax charge this time

of £410,000 (£328,000) and after the cost of dividends, £140,000 (£122,000), retained profit enmes out at £235,000, against £180,000.

#### comment

It has been a good first half for Fidelity Radio. Profits are up a quarter at the pre-tax level and volume seems to be up as well. The group has about one-third of the UK market for music centres, which accounts for 40 per cent of group sales. In August, the company launched a line of independent hi-fi components at the more sophisticated end of the market and this could be an area for future growth. But Fidelity has a rather erratic profits history since 1974 and its performance is closely linked with the caprices of consumer demand making its future course difficult to plot. If the final difficult to plot. If the final dividend is up by the same pro-

Gross revenue was higher at £1.25m, against £1.16m.

Busin

Tax takes £127.191 (£318.532). The net interna dividead is raised from 0.60 to 0.720—i2st year a total of 1.92 was paid from profits of Il.82m.

Net asset value per 25p share is given as 78.71p (74.31p). The (axable surglus was struck after expenses of £61,848 (151,850) and interest of £113,042 (£144,090).

## **Business** patchy for Royal

A PATCHY result for new life business worldwide is reported by Royal Insurance for the first nine months of this year, New annual premiums improved by 8 per ceut from £16.7m to £18.1m, but single premiums feel by 10

per cent from \$16.4m to \$14.8m. In the UK and the Republic of Ireland, new annual premiums at 11612nd, new annual preliming at 1162m were 7 per cent higher. Sales of Building Society mort-gage linked endowment assur-ance contracts showed some imtop-up morigages conlinued at a high level resulting in a significant increase in business

The company also reports very substantial growth in the marketing of individual pension policies for the self-employed, directors and key employees. Nowever, single premium husiness in the UK and Republic of Iceland declined by 10 per cent from £16.2m to £14.5m. This was due primarily to lower annuity sales: Royal's annuity rates being less competitive this

#### **Outwich profit** tops £1m so far

of 11.7 per cent is likely at SIp, unchanged,

Investment Trust rose from been received in respect of £962,178 to £1.07m in the half 622,145 new ordinary share: year to September 30, 1979, equal to 94.83 per cent.

#### WACE RESULT

Wace Group announces that in ronnection with its recen: Pre-tax profits of Outwich rights issue, acceptances have



The Perk is an established British species. It is much loved and most people would like to have one.

The Perk isn't its only name, of course, Fringe benefits, payments in kind, concessions, career apparel, clothes leasing these are some of its noms de plume.

The Perk is being looked at by ornithologists with a tax to grind. Chances are they will find among the Perks some goodies and some baddies.

We think clothes leasing, which regards the business suit or dress as career apparel, should be among the goodies. So do many companies who seem to like the clothes leasing schemes we've organised for their men and women. These schemes give them a choice from more than 500 retail outlets. And we handle all the admin.

Clothes leasing schemes tend to improve a company's image. Just like the Perk, they create goodwill and men and women work all the better for it.

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O & A Services, Lawn Lane, London SW81UD

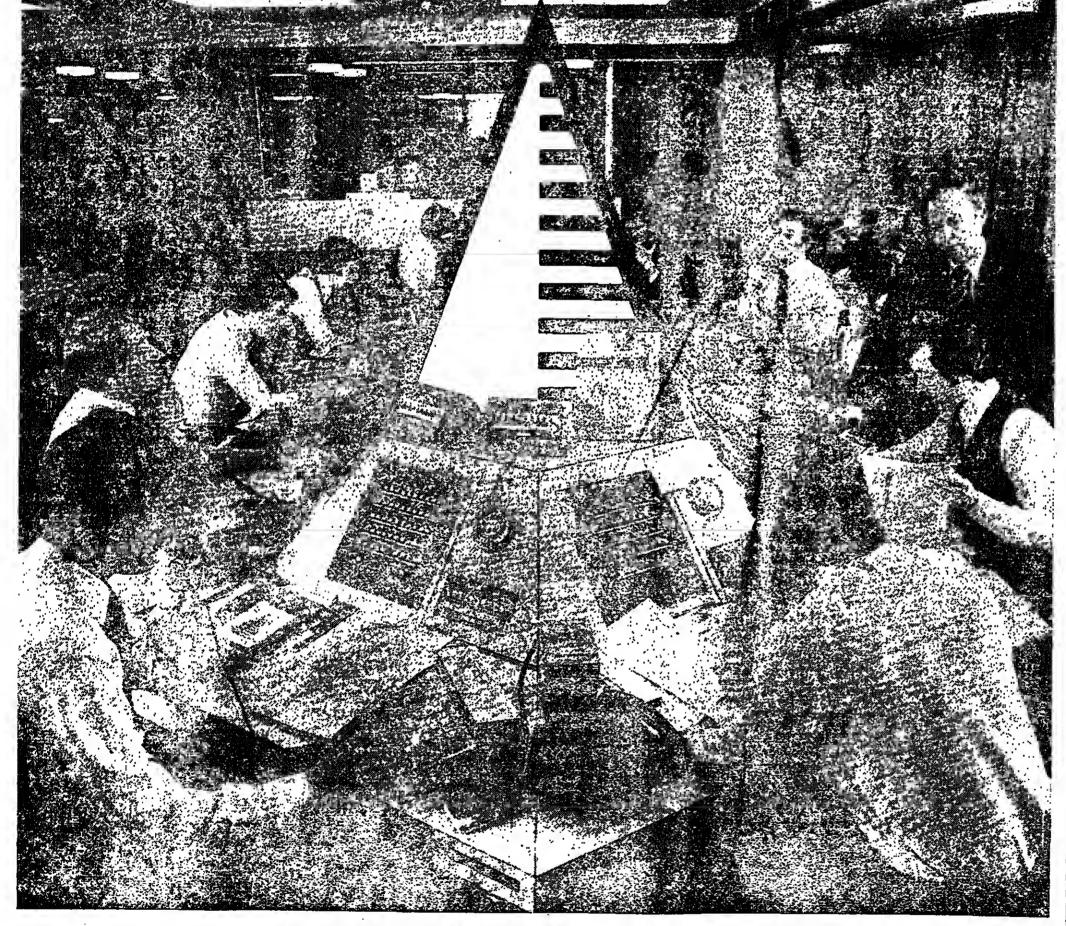
# Atlantic's investment objective is the long term



growth of capital. The portfolio is balanced equally between significant minority positions in special situations and investments in more orthodox growth companies. At the end of September the net asset value per share was 187p.

The annual report for 1979 which has just been published can be btained from Ivory & Sime Ltd. at the address bolo

ivory & Sime Limited, Investment Managers, One Charlotte Square, Edinburgh EN2 4DZ.



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As a major buyer and seller in spot and forward foreign exchange markets on a global scale, we get fast, accurate information on opportunities and trends. Indeed, working with other Bankers Trust foreign exchange traders in North and South America, Europe and Asia, we are in business around the clock, around the world. Which is why we can provide corporate customers with the fast, accurate, decision-making information they need on trends and opportunities.

All this is done directly through our Foreign Exchange Customer Advisory Group, working within the London Money Centre as an integral part of its function.

The London Money Centre Eurodollar desk provides a substantial dealing operation for Eurocurrencies, extending out to five years.

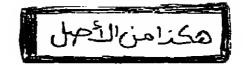
Equally, the sterling desk provides a highly efficient and competitive sterling deposit function. Finally, as a primary dealer-bank for U.S. Government securities, we make the finest net prices in London and are well placed to obtain new issues. Which complements our activities as one of the most active dealers in the secondary market.

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## Bankers Trust Company

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هكذاهن الأحمل



#### **UK NEWS**

## Businessmen share mixed feelings on Thatcher's record

A CROSS-SECTION of leading Britisb husinessmen reacted cautiously when asked their curb union power "to ensure views on the performance of the unions have a responsibility at new Government by editor law equal to everyone else."

George Bull in his regular But it should also "spend new Government by editor law equal to everyone else."
George Bull in his regular But it should also "spend "chairman's panel" report in money to educate everybody on Director, journal of the Institute

Some directors eppreciated the Government'e cuts in personal taxation and what was described as "the obvious trend towards the individual and free enterprise, rather than the State and bureaucracy," but felt nevertheless that recent recent measures, especially increased value-added tax and higher interest rates, were baying

"We find both profits and prospects reduced by the com-bined effect of artificially strong sterling and reductions in regional grants," one top exporter said.

"Taxation reductions have been offset by inflation and fuel costs, and dedicated executives who have spent five years building exports to Europe are not totally motivated by cash

The directors expressed a general feeling that the crucial issues bad yet te be tackled, especially in union legislation.

Many panel members thought that the Government should the vital importance of increasing productivity in manufacturing industry and increasing exports."

The closed shop and secondary picketing were unanimously condemned, while new schemes for settling wage demands and introducing worker incentives were outlined by individual chairmen.

Examining the long-term prospects, the panel wel-comed the Government's move away from "interventionism and towards more personal responsibility. Greater freedom of action would mean new opportunities for managers, they felt. Internationally, individual

however. government beneficence might be irrelevant in the face of an imminent recession.

Mrs. Thatcher may draw some comfort from the reflec-tien of one directer: "Whatever the ontcome, we may be no worse off than we would have been bad the policies of the Government

#### Sales of building materials fall

SALES OF building materials reveal a declining trend in the through huilders' merchants are 12-month cumulative turnover vill running at a higher level pattern over the past five than last year but the per-months. The April figure was than last year but the per-

Builders' Merchants Federation August only 4.7 per cent up.

om age increase is dropping 8.7 per cent up, May 7.3 per cent up, June 6.2 per cent up, and now



#### Highland deer cull urged

By Christopher Parkes

RED DEER in Scotland are dameging commercial forests and may have to be culled. "Deer cannot be allowed to

flourish at the expense of agri-culture and forestry," Lord Mansfield, Scottish Agriculture Minister, warned a conference in

He said strict measures to control their numbers were necessary to avoid damage. The deer feed on tree bark and young growing shoots. Deer managers, estate owners

and forestry and farming representatives were told that de-spite pressures on the deer and the rising price of venison, stocks had risen in the 1970s. The population appeared to have levelled eff at 250,000 Lord Mansfield said cultiva-

tion of hill land had deprived the red deer of their traditional winter shelter. They had invaded commercial forests as a

## **Scottish Council** seeks new trade role

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE SCOTTISH Council, an independent body that draws its funds from companies, trade unions, and local authorities, is trying to find e new role in the economy by increasing its efforts in promoting policy discussions and trade.

The council, more than 30 years nld, became closely assoriated with the drive to attract foreign investment to Scotland, function taken over by the better financed Scottish De-

velopment Agency.
Mr. Peter Balfour, the council's chairman, says some com-panies and local authorities heve withdrawn from membership and annual income has remained static at £450,000. The aim is to attract new members and double income by the end

of next year. He and Mr. James Johnstone, the council's new chief execu-tive, will visit the U.S. to approach parent companies with

plants in Scotland, and will initiate a new drive among local companies. Local authorities being urged hy their national organisation to rejoin the council. The council has been organis-

ing export missions for 20 years. Its 86th leaves this weekend for the Soviet Union. The programme will be expanded to take in countries such as Britain's EEC partners. There will also be an effort

to improve marketing information available to Scottish companies and to extend the series of visits to Scotland by foreign buyers started by the council a few years ago with three trips from Japan.

The council will also try to provide a better basis for for-mulating policy by undertaking analyses of important sectors of the econemy, beginning with energy, tourism and mechanical

#### **APPOINTMENTS**

## Deputy chairman at Vickers

Mr. J. R. Hendin is to become deputy chairman ef VICKERS on January 1, 1980 when, as already Jamary 1, 1980 when, as already anneunced, Sir Peter Matthews succeeds Lord Robens as chairman and Dr. B. P. Willetts becomes managing director and chief executive. Mr. Hendin is to relinquish his present exegutive responsibility for the UK engineering group of Vickers which he bas held since 1970, but will continue his membership of will continue his membership of the Board of several Vickers companies and will undertake special duties in support of the bairman and chief executive of Vickers until his retirement in mid-1981. Mr. C. N. Davies will be the new chief executive of the engineering group and Mr. W. M. Windsor becomes deputy chief executive. It has also been announced that the design and prejects division, Vickers' main project management and contracting arm at Eastleigh, Hants. is to develop new markets inter-nationally and will report directly te Mr. Hendin. Three ather Vickers husinesses—Brown Brothers and Co., of Edinburgh, John Hastie of Greenock (Hold-lugs) and Vickers Instruments of York—are to be incorporated into the engineering group.

The B. ELLIOTT GROUP has appointed Mr. Trevor Smith as deputy managing director of director of human resources and MECCANO, a member of the

Mr. Brian Levy as group develop-ment director. They will be directors of a new company, Airfix Industries Group. from Airfly Products B. Elliott Group Services, which has recently been formed to provide a Management Board to control the services provided by B. Elliott and Co. to its sub-sidiaries. Mr. Ian McColl, group financial director, and Mr. David Kelly, group secretary, will complete the Management Board under the chairmanship of Mr.

of the holding company. Mr. R. M. M. Williams has joined the Board of DUN-DONIAN. He has been with the group for the past three years and his duties include responsibility affairs. Mr. M. R. Smith, who joined the group a year ago, now pecomes group financial

Mr. Mike Foster has become general manager of ITT CON-SUMER PRODUCTS (UK).

gronp

Mr. Richard F. Pearson has been appointed to the Board of WELLMAN ALLOYS and contiones as company secretary.

general manager. Mr. David Potter joins Meccano as salesmarketing director from Denys Fisher Toye were be was deputy Mr. David E. Riddle has been

appointed managing director of CORY SHIP TOWAGE, part of Ocean Transport and Trading, et its offices in Norbury, South London. He succeeds Mr. R. A. Napier who bas become general manager of Elder Dempster (Agencies) Nigeria and Ocean's representative in

Mr. M. T. Hamilton has been appointed managing director of ALCAN SAFETY GLASS, a subsidiary of Alcan Alnminium (UK). He succeeds Mr. J. G. E. Bennett who has relinquished this position to pursue his interests outside the Alcan Group.

Mr. Michael E. Birmingham, financial controller of SPHERE DRAKE (UNDERWRITING) has

Mr. Ken Askwith bas become Mr. D. S. Jones has been appeinted to the Board of C. PERCY TRENTHAM.

CONSULTING ENGINEERS

Pre-tax Profits exceed £1 million – wider demand for services

Points from the Statement by the Chairman Mr. D. Downs, C.B.E., B.Sc., F.Eng., F.I.Mech.E. Once again we have been able to achieve a growth in profits. The proposed total dividend for the year of 7.0p (1978 2-92p) is 6.0 times covered by efter-tax profits. Consulting. The past year has seen a further increase in the number of companies retaining Ricardo as consultant.

These new clients have come from both home and oversess and, while they include engine manufacture the greater number are component suppliers and fuel companies, the principal growth market for our consulting activities.

Contract Work. Contract design, dev research work provides the greater part of Ricardo's income. The projects range in size and complexity fro complete design, prototype procurement and develo projects, through development programmes on particular aspects of engine performence to more

the large contracts was our second from The People's Republic of China and from Tatra in Czechoslovakia. Research. Wa are conducing to plough back some ten per cent of eur tumover into internally funded

analytical systems.

of new building and re-equipment started a few years ago. Wa amicipate spending £1,500,000 in the current year. The resources mentioned above together with bank borrowing facilities made available will be sufficient for 1979 £000

research, which provide the background for our design

Cursons. The construction of the new premises at Menchester is almost complete end the factory at Worthing is being modernised. The volume of busines

last year was lower than had been enticipated mainly

Middle East were slower in coming through than see

On the industrial side, the order position, both actual

and in prospect, is much better. The United States has

proved to be a particularly good market. This interest in our products has led us to establish a small

evelopment and sales office in the United States Capital. The rights issue last autumn yielded

£1,094,000 which, together with retained profits, is enabling us to maintain the momentum of our progres

because orders of educational equipment from the

**FIVE YEAR RECORD** 1977 £000 4,205 641 370 14.9p 2.61p engineers to the field of £000 3,203 433 223 9.0p 2.34p 2,965 340 199 7,242 1,097 1,216 5,621 943 701 internal combustion engines tees and licensors and Profit before tax diacturers of scientific Profit after tex Earnings per Ordinary share 43.4p 7.00p ational equipment and Dividend per Ordinary share

RICAROO CONSULTING ENGINEERS LIMITED, BRIDGE WORKS, SHOREHAM-BY-SEA, SUSSEX

#### THE LONG-TERM CREDIT BANK OF JAPAN, LIMITED

U.S.\$10,000,000 Floating Rate Certificates of Deposit Maturity Date 26th April 1982

> Managed by Nippon European Bank S.A.

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month interest period from 24th October 1979 to 24th April 1980 the Certificates will carry an Interest Rate of fifteen and seven-sixteenths per cent. (151%) per annum.

> Reference Agent Nippon European Bank S.A.

This announcement appears as a matter of record only.

New Issues / October, 1979

\$1,000,000,000

## International Business Machines Corporation

\$500,000,000 91/2% Notes Due 1986

\$500,000,000 9%% Debentures Due 2004

Salomon Brothers

Merrill Lynch White Weld Capital Markets Group

Morgan Stanley & Co. **Bache Halsey Stuart Shields** E. F. Hutton & Company Inc. Shearson Hayden Stone Inc.

Bear, Stearns & Co.

Blyth Eastman Dillon & Co.

Dillon, Read & Co. Inc. Lazard Frères & Co. Lehman Brothers Kuhn Loeb

Sanyo Securities America Inc.

Donaldson, Lufkin & Jenrette Paine, Webber, Jackson & Curtis

**Drexel Burnham Lambert** L. F. Rothschild, Unterberg, Towbin

Goldman, Sachs & Co.

ABD Securities Corporation

Smith Barney, Harris Upham & Co. **Atlantic Capital** 

Warburg Paribas Becker

Banco do Brasil S.A.

The First Boston Corporation

Wertheim & Co., Inc.

Dean Witter Reynolds Inc. **EuroPartners Securities Corporation** 

**Robert Fleming** Scandinavian Securities Corporation

Kleinwort, Benson

**Basie Securities Corporation New Court Securities Corporation**  Daiwa Securities America Inc. The Nikko Securities Co.

Nomura Securities International, Inc. New Japan Securities International Inc.

Bank of Tokyo and Detroit (International)

Ultrafin International Corporation

Nippon Kangyo Kakumaru International, Inc. Abu Dhabi Investment Company

Caisse des Dépôts et Consignations

Banque Française du Commerce Extérieur

Banco de la Nacion Argentina

**Banque Nationale de Paris** 

Yamaichl International (America), Inc.

Banco Nacional de Mexico, S.A. Bayerische Landesbank Girozentrale

First Bavarian Capital Corporation

**Berliner Handels- und Frankfurter Bank** Kredietbank N.V.

Samuel Montagu & Co. Orion Bank

**Hambros Bank** Morgan Grenfell & Co. Hill Samuel & Co.

**IBJ** International Nippon Credit International (HK) Ltd.

B. Metzler seel. Sohn & Co. Nippon European Bank S.A.

Westdeutsche Landesbank

Société Générale de Banque S.A.

Vereins- und Westbank

Girozentrale

30

NORTH AMERICAN NEWS

## National Steel profits slip

BY STEWART FLEMING IN NEW YORK

ability of major steel companies a share. in the third quarter of the year is apparent in the results reported yesterday by National also been reporting weakening year's third quarter. He cited

share in spite of a rise from \$965.700 to \$1.1bn in sales

and paper group

THE SALE of 323,000 acres of

California forest land helped to add \$160.100 or \$6.84 a share to

the net income in the third

quarter at Kiooberly-Clark, a

leading producer of consumer

paper products such as Kleenex.

forest products, newsprint and business papers.

direction of some of the com-pany's resources" was respon-sible for the addition. Net profits rose to \$196.7m or \$8.40

a share compared with \$37.8m

or \$1.62 for the comparable period last year. Sales advanced

cluded a gain of 21 cents a share from a change in the British tax

law and a loss of \$2.5m on

currency exchanges compared

with a gain of \$1.4m in the 1978

On a nine months hasis, net profits increased to \$278.3000 or

\$11.89 a share compared with

\$113.4000 or \$4.85. Sales rose 16 per cent to \$1.65hn

Western union deficit

cent to \$187.8m.

A writedown of \$22,100 in the

**AMERICAN QUARTERLIES** 

..... 468.6m 392.9m ..... 31,94m 24.81m ..... 1,14 0.89

..... 1.42br 1.26bn ..... 114.36m 87.03m ..... 4.08 3.15

691m 18.09m 0.65

3,73bn 95,7m 3.66

196.1m 200.8m 2.31 2.63

937.2m 800.7m 18.13m 104.32m

244.9m 3.26

249.3m 2.99

CONSOLIGATED EDISON NY

1a.72m 0.87

79.2m 2.87

AMERICAN BROADCASTING COS.

**SURLINGTON INOUSTRIES** 

CITY INVESTING

Revenue ...... Net prefits ..... Net par share . . .

The latest quarter also in-

16 per cent to \$555.6m.

The company said that a "re-

Special gain

boosts pulp

THE SQUEEZE on the profit from \$74.3m to \$105.2m or \$5.45 affected by rising costs and oper- automotive industry and efforts

Steel, the third largest U.S. steel profits. Inland Steel, for ex- apecifically energy, materials that order booking rates appear producer.

acople, reported a 17 per cent and labour costs as factors in to bave bottomed out in early National's third quarter earn- decline while Armco, although the rise, in particular the inings fell from \$40.4m or \$2.10 reporting higher earnings, discrease in labour costs in August share to \$39.2m or \$2.03 a closed that operating profits in under the terms of the third its one jor steel businesses were and final year of the wage agree-lower in the third quarter. onent with the steelworkers lower in the third quarter.

ating expenses, which jumped Over the past week other 18.7 per cent for this year's faird

back on stocks in the face of a over the past week other to the centre of the compared with last beavy build-up of unsold major U.S. steel companies bave quarter compared with last beavy build-up of unsold the base reporting weakening year's third quarter. He cited vehicles. But Mr. Stinson says Angust and that order bookings are holding steady or trending upwards depending on which market is analysed. But he adds that "customer acceptance of Reflecting the hudyart conditions in the Industry in the first half of the year earnings for the first nine counts of 1979 rose liver in the third quarter.

In the line of the year earnings for the terday that the company's profit ability cootinues to be severely in the slowdown in the steel of the 1980 cars now heing introduced will have an important industry in the third quarter bearing on order patterns for the balance of the year."

## **Downturn at Eastern Airlines**

BY OUR NEW YORK STAFF

lines reporting sharply lower third quarter earnings yesterday. Allegheny Airlines, how-ever, bucked the industry trend The slowing economy, sharp rise in fuel costs and price cutting earlier in the year, have all had an impact on the airline industry which is now facing the first downturn of the U.S. husiness cycle since the introduction of reregulation and strong traffic growth lifted

Eastern's net income for the third quarter was \$300 or 7 cents a share, compared with \$20m or 93 cents a share in 1978. the decline, although traffic growth partly offset costs. The company also wrote off \$5.1m in

EASTERN AIRLINES joined profits to record levels in 1977 Last year's figure, however, in-the growing hand of U.S. air and 1978. cluded an extraordinary gain of cluded an extraordinary gain of \$3.4m from a tax credit. The 1979 third quarter included a \$3.4m pre-tax gain from sales of light equipment against \$2.1m from this source a year ago. For the first nine months of 1979 Allegheny's earnings were \$24.200 against \$25m for the expenses related to its efforts to overge with ational Airlines.

Allegheny Airlines reported third quarter earnings of \$12.700 ment and \$7.3m credit from an compared with \$12m a year ago.

## Sharp rise at American Brands

AMERICAN BRANDS, the U.S. tohacco group which owns the UK Gallagher cigarette company, had a strong third quarter with net profits advancing by 116 per cent to \$114.4m from \$52.9m on higher sales of \$1,52bn compared with \$1.29bn.

The quarter's figure includes a quarter was charged to \$27.8m tax allowance for Gallagher's income in the 1973 \$27.8m tax allowance for Gallagher's which amounts to \$1.04 per share.

Net profits for the nine counths rose to \$256.1m or \$8.86 per share from \$151.2m or \$5.67. The tax consideration for the month period.

and 1974 tax years as deferred tax. Excluding this provision, American Brands' net earnings per sbare were 49 per cent higher for the third quarter and

#### Manufacturers Hanover in \$106m deal

BY OUR FINANCIAL STAFF

value of communications ter-minals and \$1.1m in employee severance costs led to a third MANUFACTURERS Hanover vicing activities of its Pennamco package will be about \$106.500, Corporation, owner of the third subsidiary. quarter deficit of \$23.31m or \$1.65 a share against a profit of \$11.4400 or 59 cents for the same quarter last year for largest bank in New York City, has agreed in principle to buy Western Union, the telegraph First Pennsylvania Corporation's consumer finance substaff. Revenues advanced 9 per sidiaries and the mortgage ser-

262.4m 234.7m 13.79m 11.58m 1.54 1.36

1.69bn 133,36m 1.87

205.23m 189.68m 2.17 1.94

26.83m 22.37m 1.78 1.50

73.2m 7.1m 0.31

357.4m 222.7m 75.4m 21.8m 3.60 0.94

78.16m \$.23

1979 8 129.5m 27.8m 1.33

1.67

Revenue 1.08bn 959.7m Net profits 55.28m 49.66m Net per shere 3.65 3.20

CROWN CORK & SEAL

OETROIT EDISON

DUKE POWER

RESPORT MINERALS

The agreement also calls for

servicing portfolio and seven branch offices. Purchase price for entire

551.0m 426.4m 61.0m 49.3m -1.84 1.61

1979 1979 \$ \$ 595.2m 586.8m 32.1m 30.1m 1.60 1.50

2.1ba 53.1m 1.50

1.38bn 1.19br 55.12m 49.48m 2.20 1.90

1.89bn 53,8m 1.58

129.4m 4.31

1.72bn 158.5m 4.90

HOUSTON INDUSTRIES

INGERSOLL RAND

U INTERNATIONAL

Third quarte

Combined assets of the Manufacturers Hanover to buy finance companies being \$2,3bn of Pennamco's coortgage acquired is about \$451m and they have 423 offices in 25 states, Puerto Rico and the Virgin Tolande

Third quarter

being

QUESTOR

A. H. ROBINS

SANTE FE INDUSTRIES

Not per shere Nime Months

GYBRON

TEXTRON

UNIC INDUSTRIES

WARNACO

SHERWIN-WILLIAMS

3978

\$ \$ 127.8m 111.5m 22.1m 14m 0.71 0.46

438,4m 402.7m 66.7m 56.3m 2.18 2.03

1.07bn 746.3m 140.1m 68.0m 4.49 2.21

1.34ba 1.1\$ba 55.63m 48.09m 2.33 2.00 48,09m 2.00

5 S 299.7m 268.9m 16m \*3.7m 0.70 \*0.27

953.9m 749.1m 64.8m 14m 2.91 0.46

387.6m 55.2m 0,54

1.1bn 79.6m 1.01

\$ 384.3m 57.6m 0.61

## losses curb growth

By David Lascelles in New York INA, the large insurance and financial services group, registered a 10 per cent increase in net operating profits in the third quarter. Income reached \$61.8m. equivalent to \$2.40 a share, up from \$55.900 or \$2.21 a share on revenues of \$1.21bm against

\$L07bn Mr. Ralph Saul, chairman, said most of the gains came from life and group life insurance, and bealth care operations, but that property-casualty earnings were down as a result of heavy catastropbe losses.

Overall earnings in EVA's non-insurance activities were also lower because losses by its investment hanking arm, Blyth Eastman Dillon, offset gains from its homebuilding and collateral control husine

Mr. Saul predicted more modest rates of gain in the fourth quarter because of inflation and a weakening economy.

#### Brascan lifts Noranda stake

TORONTO — Mr. J. Trevor Evton. president and chief executive of the Canadian holding group Brascan, said the company purchased on Monday 4.3m additional Noranda Mines shares raising Brascan's stake in Noranda to about 16.3 per cent. Brascan has requested repre-sentation on the Noranda Board and "understands" the request will be considered at a Noranda Board oceeting on November 16. Brascan's latest Noranada pur-chases are "in keeping" with Brascan's previously stated intention to acquire between 15 per cent and 20 per cent of Noranda's stock. It "continues to be Barscan's strong desire to work harmoniously with the management of Noranda."

Bond firm closes

Park Ryan, a small hond firm sald it was going out of business, Reuter reports from New York. The firm partly blamed the Federal Reserve's recent credit tightening moves which have resulted in bond trading

279.2m 21.99m 0.84

318.9m 34.79m 1.78

324.7m 7,02m 1\_25

\$ 174,9m 7.85m 0,72

\$ 60.8m 3.39m 0.57

59.2m 52.3m 7.38m 7.0m 0.83 0.79

171.3m 153,6m 22.84m 20.65m 2.57 2.34

1979 1578 \$ \$ 133.6m 155.4m 6.66m 4.05m 1.56 0.95

330.5m 284.7m 8.65m 6.37m 2.26 1.47

\$ 152.4m 0.21m 0.48

## Investment | Gulf Oil turns in record third quarter earnings

BY OUR FINANCIAL STAFF

ful trading in the oil industry came yesterday whan Gulf Oil, which has major crude oil in said Gulf's 1979 performance terests in both the U.S. and would fall below the 1974 level Canada, announced that earn- if adjusted for inflation over the ings had almost doubled in the past five years. But he added third quarter to total \$416m, or that the company's latest third \$2.13 a share, against \$1.08 a quarter and nine months earn-share in the corresponding mgs were records. period last year. Sales were 31 per cent shead at \$6.7bn. rose 36 per cent to \$523m in At the nine-month stage, Gulf the nine countles. In Canada,

is showing sales of \$18.4bn, nine-month profits rose from against \$14.6bn at the comparable stage and \$18.1m for the in Europe were \$76m compared whole of 1978. Earnings have with a \$2400 loss last year. risen by 74 per cent to \$956m, and share earnings are up from other foreign operations in-\$2.81 to \$4.90—well in line with creased sharply from \$9500 a

Wall Street forecasts of \$5.50 year ago to \$212m.

for the full year. All 1978 North American earnings under the Adocinistration's net figures have been restated traditionally account for around price decontrol programme.

Mr. Jerry McAfec, chairman, said Gulf's 1979 performance Gulf's net income in the U.S. rose 36 per cent to \$523m in

Gulf said its earnings from year ago to \$212m.

ANOTHER REPORT of success- to comply with SEC require- 80 per cent of Gulf's total At ments on oil and gas accounting the halfway stage, earning ments on oil and gas accounting were 60 per cent ahead added by better margins in Canada and elsewhere in practically all bust ness sectors, notably chemicals Atlantic Richfield (Arco), the seventh largest U.S. oil pany, announced a 45 per cent \$220.5m or \$1.81 a share to \$320.4m or \$2.60 a share. Sales rose by 30 per cent to \$4.6m. This brought Arco's sine months not to \$822.9m or \$6.70 share, up from \$581.7m or

Vall

\$4.78 a share. Arco attributed the increase to higher Alaskan crudo production and continued improve-ment in wellhead prices allowed under the Adooinistration's oil

### Eurobond prices slide further

EUROBOND PRICES declined dollar sector. in all major sectors of the market for the second day running yesterday. Eurodollar interest rates rose sharply, with the three counth rate reaching

161 per cent.
Straight dollar bond prices initially fell by about two points across the board. But they rallied later after it was announced that remaining exchange controls in the UK would be abolished.

Dealers covered their short positions, thereby pushing up prices. Movements of individual hands varied, but by the close, most issues had posted falls of between one to one and a half

On the other hand, a growing number of bond bouses report that institutional buying orders

In what is believed to be the first floating rate note issue from a British state concern, British Airways has arranged a private placement of \$100m of 12-year notes carrying a margin of t percentage point over 3month interbank rates. The placement, which carries

a British Government guarantee, is convertible throughout the life of the notes and at the option of investors into fixedrate bonds carrying a 9 per cent.

The terms of this FRN comprise among the finest yet in this sector of the Euroboad ocarket, particularly when the long maturity is taken into consideration.

The issue will support the state airline's capital expendi-

issue for the Europe. This Europe. This should be followed on November 8 by a DM100m for an unknown borrower through Deutsche Bank and a DM100m issue for a Scandinavian name through Commerzbank on November 10. On the 12th Westdeutsche Landesbank should bring a DM100-150m issue for an Euro-

pean state address The current atate of the market could bowever lead to the postponement of at least the first of these issues till the tailend of the month.

Overseas selling continued to hit Swiss Franc bonds, which bave lost a point across the hoard since the end of last

Meanwhile; the Republic of Finland has completed s are coming in, selectively.

In the Floating Rate Note sector prices weakened again yesterday though much less drastically than in the straight ture programme.

SwFr 80m ten year public be through Union Bank of Switzs be floated during the coming sand. The horrower is paying yesterday though much less weeks, the first is due tomorrow coupon of 4? per cent and the straight from BHF Bank—a DM 100m issue has been priced at par. SwFr 80m ten year public bond through Union Bank of Switzerland. The horrower is paying a coupon of 47 per cent and the

#### FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on October 23 Closing prices on October 23

U.S. DOLLAR				Change on	•
	asued			day weak Yield	•
Alcoa of Australia 1089	.60	841 <sub>2</sub>	85	-11 -41 12.82	!
Alex Howdee XW 94 81	30	717	794	U ~11 13.20	
Australian Res. 94 84	30	517g	923	0'07 11 86	
Avco O/S Cap. 10% 87	40	*18512	86	-34 +t 13.32	2
aaneficial Fin. 9% 87	100	87	874	-24 12.35	
CECA 102 91	150	36	86	+04 -07 13.06	
CECA 94 89	125	800	91	-11 -3 12.75	
Conedian Pacific 94 89	50	877	883	-14 -14 11.87	
Manager Manager Av Av	50	883	997	-01 -11 12.32	
Comsica inv. E. 10 91		89	007	-07 -14 12-32	
	40	897	99.7	-01 -21 11.98	
Continental Grp: 9% 88	100			-21 -27 11 97	
Oeme Petroleum 10 84	50	87	8/4	-14 -24 11.85	
Ceminien Bridge 10% 84	30	30,5	91	-17 -24 12.98	
Dow Chem. O/S 9% 94	200	36	874	-012 -21 11.52	
EI8 97 99	100	86	877	-12 -54 11.86	
EI8 97. 87	750	9012	91	$-0^{7}$ $-2$ 12.09	1
Elà 10 99	<b>150</b>	8714	881,	-15 -45 11.87	•
E18 10% 87	100	90%		-14 -34 12.29	
E18 10.1\$ 99	100	88		-114 -44 11.90	
Export Dv. Cpn. 9 84	100	91	91	-07 -05 11.90	
Export Dv. Cpn. 94 84	150	32	973	-0% -1% 11.36	
Finland 91, 89	100	87	881	-05 -14 12.32	
Finland 9 89	100	851	RRS.	-14 -24 12.45	
GTE Finance 91, 84	. 5D	884	997	-14 -24 13.04	
GTE Finance 94 89	55				
		87	0/7	-05 -15 12.03	
General Matera 94 86	100	884	007	-05 -05 11.70	
Gould Int. Fin. 91, 85	50	90	90-7	0 -13 12.31	
Hoschet Fin. XW 6% 89 Hudson Bay Co. 10 94		4734	/3.	-05 -05 11.39	
nunson bay co. to se	50	87%		-05 -15 11.75	
ITT Antilles 92 89	75	187		-15 -15 11.77	
Kennecen Int. 97, 86	100	89	8622	-On -17 12.68	
Manitoba 91, 89	75	86%	874	-0% -1% 11.84 -1% -2 11.96	
Michelin 10 94	125	863	867	-15 -2 11.98	
Nat. Oas. Talgem. 91, 86	100	897		0 -12 11.87	
New Brunswick 94 84	75	89		-15 -15 11.93	
Newfeundland 10.94	50	884	887	-03 -05 11.65	
Nergas Komm. 9% 89	100	87	89	-13 -4 11.81	
Nerway 91, 84	150	91%	924	-01 -1 11.89	
Nova Scotia Pwr. 91 89	50	874	973	-13 -17 12.02	
Occidental Fin. 10% 84	50	87%	8814	-01 -24 13.60	
Orient Leasing 912 88	25	89,4	86	-15 -12 12.91	
Pennwsit 0/8 F. 9% 84	25	90	907	-14 -2 12.63	
Pepsico Cap. 94 84	100	90	907	-04 -04 12.11	
Quebec Hydre 10 29	75	85%	863	-15 -1 11.87	
Redland Fin. XVV 92 91	25	8312	851,	0 +13 12.05	
Seers Roebuck 9 82	150	91%	921	-04 -05 13.17	
Statoil 95 89	100	8872		-012 -2 11.59	
Stockhaim 94 84	60	89	891-	-07, -27, 11.59	
Sweden 92 89	100	894	897	-0% -1% 11.58	
Sweden 91, 89	200	891	901-	-14 -24 12.19	
Sweden 94 84	100	92%		-05 -12 11.86	
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Warner-Lambert \$ 84	100	894		-03 -1 11,87	
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Offer 991, 1014, 551, 1014, 951, 1004, 1004, 10 Copenhagen 47, 91 .... El2 41, 91 .... El8 41, 94 Bet de France 41, 89 GZB 41, 89 Neiges Komm. 41, 31 Nerwegien Mort. 42, 51 OKS 33, 51 OKS 41, 51 Pfend Ost. Landa 4 90 Philipeines 42, 89 Spain 4 51 Steweeg 43, 91 Voest-Alpine 41, 85 Werld Senk 41, 85

Offer 901 873 983 891 894 8id 895, 863, 975, 887, Australis 5.8 83 Australis 69 88 FIS 74 89 ..... Finland 5.8 83 ... Pinland B.8 88 ... 30 20 12 10 10

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Corticop 10 83 E
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EIS 93, 86 FFF
Corticop 10 83 E
EIS 112, 91 E
EIS 94 KB
Gon. Elec. Co. 127, 89 E
Indenesia 82, 91 KO
Mitsubishi 72, 84 KB
Narges Kom. 72, 89 KB
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Pram = Percentage pramiure of acquiring sheres via the price of the sheres.

## **OSTERREICHISCHE INVESTITIONSKREDIT** AKTIENGESELLSCHAFT

Vienna

DM 20,000,000

6%% Deutsche Mark Notes of 1979/1984

Private Placement

**DG BANK** 

Deutsche Genossenschaftsbank

Genossenschaftliche Zentralbank AG-Venna

October 1979

هكنامن الدمل

## Matra in motor components deal

BY TERRY DODSWORTH IN PARIS

MATRA, the French missiles and electronics group which has been rapidly diversifying during the past 12 months, is planning a further acquisition in the motor components industry.

ir. The group is to buy Solex. whe largest carburettor company the France, currently in the hands of two main groups of private sharcholders who are delicved to be in favour of the

This This proposed acquisition acctors of the motor industry follows only a few months where the use of micro-procesafter a deal with VDO of West ing techniques is expanding Germany, which gave the two companies equal shares in a 51 s per cent controlling interest in instrumentation and carbora-Lacger, the vehicle instrument

The purchase of Solex will become virtually universal as mean that Matra's motor indus- the costs of these parts come try making cars-the Matra-Simea made by Matra-to-most important components in vehicle instrumentation panels and carburettora.

Behind both of the most recent purchasea lies the group's strategy of moving into rapidly. Electronic methods are already heing used for both

Algeria signs \$500m credit

interests spread from down over the next decade.

Matra, one of the glamour models, for which bodies are and boasting dramatic earnings growth, bas a reputation for sophisticated technology, and recently signed a deal with Harria, the U.S. electronic componeots group, to set up a joint venture in France.

It has also become a pivotal

company in the restructuring of the French clock and watching techniques ia expanding making industry, another microprocessor-linked sector, which is largely controlled in France instrumentation and carbora- by Jaeger and Jaz, another tion control in more expensive group recently acquired by cars, and are expected to Matra.

Solex, which is owned by the Gondard and Menesson families, is reckoned to hold some 70 percent of the Franch vebicle carburettor market, and bas a sizeable network overseas. It also makes aircraft components.

Turnover of the company ja about FFr 400m (\$95.2m), a size wolch is probably not large enough to support alone the investment now needed in the new electronic techniques. In France, Renault is collaborating with Bendix, another U.S. manufacturer in the

vebicle electronics field, while Citroen has been using Thomson technology.

#### Foreign investment in Norway eased

By Fay Gjester In Oslo TWO 'CONCESSIONS, designed

to facilitate foreign invest-ment in Norway's capital ware announced yesterday by the Bank of Norway. Non residents will now be allowed to buy shares and bearer bonds quoted on Norway's stock exchange up to a limit of NKr 1m (\$200,000) against only NKr 50,000 previously. The ruling applies to shares in industrial and business con-cerns. To buy shares in sbipping companies, investors must apply to the Ministry of Trade and Shipping.

The second concession allows non-residents to bold an unlimited amount in Norwegian bank accounts in future. Previously they were not allowed to have more than NKr 100,000 in accounts with Norwegian banks.

Although the purchase by nonresidents of ahares in some companies will continue to be restricted—by the statutes of the individual companies, or by Norway's concession laws the lifting of the NKr 50,000 limit could lead to foreign demand for the sbares of some well known Norwegian companies not subject to these restrictions. To date, centred on Norsk Hydro-the only Norwegian company quoted on foreign stock exchanges-and this has made Hydro shares relatively expensive for Norwegian investors.

The Bank of Norway's ruling is in line with the Labour Government's promise that it share trading.

#### Au Printemps sales ahead

By Our Financial Staff

THE FRENCH department store group Au Printemps has turned in net income for the first six months of the financial year of FFr 10.8m (\$2.6m), down from last time's FFr 18.5m. The figures are not directly comparable, as this year's result includes for the first time the performance of Société Fisuma, which Printemps absorbed on January 1, and the sale of a profitable affiliate rintemps said that despite a slowdown in brusehold consumption, group earnings for the first half were roughly similar to last year. First balf sales totalled FFr 4.95bn

75 '-

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74 75 76 77 78

The commercial court in Paris has rejected the suit brought by Printemps against the supermarket chain Radar, its rival for control of the retail store chain Paris-France. Printemps had alleged that Radar's purchase of Paris-France shares on the Bourse after making a takeover bid was irregular.

(\$1.17bn), up from last time's

#### Go-ahead for Estel purchase

By Our Amsterdam Correspondent

FFr 4.47bn.

THE DUTCH-GERMAN steelmaker Estel Hoesch-Hoogovens bas received permission from the European Commission to go abead with the acquisition of 48 per cent of the wire products Drazdindustrie (Thibodrasd). This will lead to closer links hetween Estel and the Belgian ivestment and that Swedish and 50 people, to major con- they have increased here by 12 steel group Cockerili, which also owns 48 per cent of Thibodraad.

#### THE SIGNING will take place is viewed by the managers aa with \$2.58bn for the whole of in London today of the largeat- fair considering the state of the ever medium-term credit market following the Volcker granted by international banks measures. A number of U.S. to Algeria's national oil and gas regional banks, which im more No final figure bas yet been

normal circumstances would have participated in such a loan,

stayed away. Fourteen

facility has been extended to Sonatrach on the finest terms so war obtained by an Algerian banks are managing this loan, borrower: a maturity of 10 with one of their number.

years, with a five-year grace Citicorp, acting as agent. period and a margin over interthank rates of 1 per cent for the wirst five years, rising to 11 per

for and on behalf of the part of the costs of the Annaba...Republic of Algeria by Banque fertiliser plant, and a \$100-Algerienne de Developpement. \$120m loan to Transmediter. The commitment fee on the un- ranean Pipeline Company, a 50 infrawn portion is I per cent and per cent owned subsidiary of sithe management fee is I per Sonatrach, to be used towards licent, I per cent more than has the financing of the Mediterleent, I per cent more than has the financing of the Mediter-ben the case on other recent ranean section of the Algeriarilnans for Algerian borrowers. Italy gas pipeline. ... The reason is that this \$500m refacility is of a purely financial brings Sonatrach's borrowing reature, not tied to any supplier on the international capital refacility is of a purely financial or export import type credit.

Citicorp, acting as agent.
This loan will complete
Sonatracb's Eurocurrency borfirst five years, rising to 11 per rowing requirements for 1979 with the exception of two loans:

The loan carries a guarantee a \$45m facility earmarked for

hai e

The loan oow being signed markets this year to \$1.57bn. if The sell-down has been This year, Algerian borrowers accounted for labetween 15-20 per cent, which have raised \$2.131bn, compared at \$42 an ounce

released this year where the country's total bard currency mated at close to \$19bn, \$15.1bn of which is expected to bave been disbursed by the end of the year. The debt-service ratio climbed to 25.1 per cent of all exports in 1978, but should fall this year owing to the sharp increase in income arising from the increase in oil prices and the growing volume of liquefied gas exports to Europe and the

debt aervice burden could fall to about 18 per cent in 1981, according to some recent projections, Sonairach's income from oil and gas exports

this year is expected to rise by 75 per cent to between \$9.10bn. Algeria's international reserves stood at \$1.85bn last July. Of this, \$253m was accounted for by gold valued

## Deutsche Babcock expansion

BY ROGER BOYES IN BONA

DEUTSCHE BABCOCK, the pany specialises in the planning lems are expected. West German plant construct and preparation of engineering tion and engineering group, has work In coal-refinement proecquired the engineering com- cesses, oll and gas processing pany Ford, Bacon and Dayls of and pipeline construction—all New York, marking a key stage areas in which Deutsche Babin its overseas diversification Deutsche Babeock said yesterday that a general shareholders' meeting has now approved the broaden the U.S. company's and plping—as well as trading. oul through the group's U.S. will retain the same manage up its interests in the process subsidiary Deulsche Babcock ment), so that together with engineering area. This has in-Ware. The 100 per cent acquisi- it can play a stronger role in tion—Deulsche Babcock de organising Turnkey projects. Sclined to name the purchase The Babcock group expects the price—is intended in strengthen acquisition to undertake engin-tine group's U.S. presence. acquisition to undertake engin-eering work in petrochemical

\$160m this year, and has a the Third World and the U.S. ter as essentially a consultancy workforce of 1,500. The com- market. No anti-trust prob- company.

cock has been showing a growing interest recently. Deutsche Babcock intends to

Deutsche Babcock was hit by ket for conventional power sta-

tions, and bas been trying to extend its operations into power plant-related product linesgeneral, environmental and civil engineering, ventilation considerable expense-of manufacturing facilities in the U.S. Canada, Brazil, Australia and South Korea. Ford, Bacon and Davis will not, however, be con-Ford, Bacon and Davis is ex- and coal-refinement (that is verted into a manufacturing specied to have a turnover of gasification and liquefaction) in unit, and will retain its charac-

#### Cartel Office rules on IH discounts

BY LESLIE COLITT

Office has told the German sub-Sidiary of International Harvesthe of the U.S. in stop giving a DM 1.85bn (\$lbn) last year. The larger discount on sales of its company's total sales in West arm tractors to appointed West German dealers if they commit themselves to buy other agricultural machinery exclusively from the company.

This is the first case in which the Cartel Office has tried to prevent whal it calls an illegal form of discount. The decision is not yet legally binding, and could be overturned by the West Berlin appeals court.

International Harvester's tierhan subsidiary is the country's leading seller of farm tractors, sell the tractors are treated less Harvester.

THE WEST GERMAN Cartel with a share of about 20 per favourably. cent of the West German marwhich was worth aome Germany were DM 1bn in the fiscal year ending last Novem-

> The Cartel Office maintains that the Harvester discount violates the "ban on discrimination" that applies to companies with ao especially stroog market position. It says that the granting of larger discounts to dealers who, in addition to exclusively selling the company's tractors, also carry other of its agricultural lines exclusively, means that dealers who only

The Berlin anti-trust office says that the inherent attraction of this system leads to an unreasonable obstruction of Harvester'a competitors in com-bines, balers and haymaking

The Cartel Office is reported to be preparing to order a West German mannfacturer who has a 75 per cent sbare of the pet food market, to stop giving an annual "turnover refund" to its buyers, based on the quantity of the product they sell. The case is felt by specialists in cartel law to have a stronger chance of being upbeld in court thao the current one against

#### UK sales boost for Swedish companies

BY MAURICE SAMUELSON

SWEDISH COMPANIES based petitive. o Britain increased their turn-wer last year by 24.5 per cent Department's journal Trade and o £1.4bn (\$3bn), exceeding the Industry of giving outdated otal of Swedish exports to the figurea about, the scope of JK. They also boosted the value Swedish inveatment in the UK.

n the UK carried and by the inger an attractive centre for

of their own exports from the 11 bad claimed last year that 11 kby 27 per cent in £79.5m.

The figures appear in a sure of 234 Swedish subsidiaries in the UK carried nut by the 11 bad claimed last year that there were only 24 Swedish there were only 24 Swedish the companies here, employing 11,000 people. The real number of Swedish subsidiaries in the

expected to increase over the next five years, as some 30 per cent of the companies plan to expand their-activities as well as their premises during this

period. According to Mr. Foraberg, all the major Swedish companies are already established here, and it is hoped that more wedish Chamber of Commerce
wedish Chamber of Commerce
WK was almost 300, of whom the
or the UK Mr. Leif Firsberg.
We climber's director, said that
the survey discredited claims in
weden that the UK was no

They range from smaller companies bad been
weden that the UK was no

They range from smaller companies bad been
losing interest in Britain as an
investment base, but in the past
investment base, but in the past They range from smaller com-panies. employing between 10 investment base, but in the past

## Integrand sponsors U.S. property fund

BY JOHN WICKS IN ZURICH

UROPFAN INVESTORS are to to purchase commercial real seven and nine per cent plus vestment advisory concern the company in Europe prove seed in San Francisco, from ovember 15. The certificates, bigher total subscription value ch of \$50,000 value, will be feren hy a Geneva affiliate of e Cayman Islands company nited States Property Investent, for whom Integrand spousur and viser under a management

property fund western and south-western sociated with Integrand, an U.S. Should this first issue of

-are foreseen. Integrand, whose Swiss-based registrar and bank is Guiness leasea to major companies.
Mahon (Zureich) AG, is expecting to appeal mostly to insti-

niferred certificates in a new estate in urban areas of the potential for capital growth. be owned for tax reasons by ad boc holding companies in the Netherlands Antilles, will be fully developed and review of SwFr 1.36 against SwFr 1.31. Bourse quotations per certificate rose slightly from SwFr 204 to out, the portfollo specialislog in real estate with long-term

tutional investors outside AN INCREASE in dividend to from October 16 to October 22 Switzerland. Wurking with a a gross SwFr 11.50 against a SwFr 100m (860m) bond "halanced, conservative and SwFr 11.20 for certificate issue at a coupon of 4 per cent. remeot. "halanced, conservative and SwFr 11.20 for certificate-tree 200 certificates are said, property," it offers a minimum land is aonnunced by Interdit the proceeds will be used to the proceed to the proceeds will be used to the proceed to the proceed to the proceed to the proceeds will be used to the

Net profits in the financial otential for capital growth. Year ended August 31 rose from The properties, which are to SwFr 11.80 to SwFr 12.37 per SwFr 205.

> SWITZERLAND's leading commercial bank, the Baale-based The 12-year bonds, offered at par, are intended to finance longer-term lending business,

#### French subsidiary of BP sees advance

By David White in Paris

French subsidiary is expecting this year to show its first annual profit since the 1973 oil crisis. Société Française des Pétroles BP, which is 70 per cent owned by the UK group, said that barring unforeseen circumstances its results for the year should be sufficient to wipe out its accumulated deficit. The company broke even in 1974, but suatained losaes for the next

four years.
The first six months of this year produced a net profit of FFr 153m (\$36.4m) against a loss of FFr 248.2m In the same period last year.

The benefits of higher profit margins on petrol sales and of cost-cutting programmes were already visible to the second half of last year, bringing the year's loss down from the halfyear level to a net figure of

#### Banque Worms

Banque Worms is to opan a branch in Hong Kong, our finan-cial staff writes. This is the French banking and financial group's first physical move into South East Asia, and it represents the continuing development of the group's international activities.

## Interbank interest rates upset Eurodollar market

BY OUR EUROMARKETS STAFF

EURODOLLAR interbank interest rates rose sharply to new peaks yesterday, and continued to create uncertain conditiona syndicated loans markets.

Interest rates were particuarly volatile in the short-term Eurodollar market with overnight deposits climbing to over t6 per cent at one stage. Federal Funds in New York have risen as bigh as 18 per cent. At the same time, upward

pressure was exerted on longerterm rates, with the three-month position rising to 161, per cent Eurocurrency system continued out. to oversbadow the markets. Some reports yesterday sug-

gested that, because the inter-

national banking system has

large long-term loan commit-ments, which are frequently funded with very short-term horrowing, many banks were bidding particularly aggressively for funds.

Secondly the substantial in- funds.

Bankers said that the con- crease in debt-servicing costs tinuing rise in Eurodollar rates for horrowers if Eurodollar was raising concern on two rate, remain at these levels for counts. Firstly, warnings that a prolonged period will repre-banka could encounter problems sent an burden for heavily inin funding themselves from the debted nations, bankers pointed

In most market quarters yes terday, however, bankers agreed that there was no problem in the availability of Eurodollar deposits for hanks, large and small. There has still been no sign of any interest rate "tiering " in the market, under the smaller banks are forced to pay a premium to obtain interbank

#### DSM raises fertiliser stake

BY CHARLES BATCHELOR IN AMSTERDAM

paying, but said that the transaction will be in cash and it The share transfer will allow hopes it will be completed DSM to integrate UKF's activi-

The aim is to gain full control of a sector which is extremely important to DSM, quarters complex at Geleen in

THE STATE-OWNED Dutch the company said. Fertilisers the STATE-OWNED Dutch the company said. Fertilisers chemicals group DSM is to acquire full control of the fertiliser manufacturer Unie van lent to one-third of the company said. Fertilisers worth accounted or sales worth religious manufacturer Unie van lent to one-third of the company said. Fertilisers worth accounted or sales worth accounted or sales worth religious connections of the largest manufacturer of the largest manufacturer of fertilisers in the world. turers of fertilisers in the world,

more effectively chemical production. UKF has a plant on DSM'a large head-

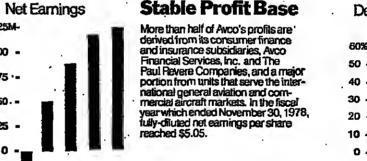
the south-eastern Netherlands. It will also allow closer co-operation with DSM's large U.S. fertiliser interests, represented by the Columbia Nitrageo Corporation of Augusta, Georgia.

The details of the transfer have been agreed between the two companies although formal approval is still required from DSM's supervisory hoard. For Shell, the fertiliser activities do no fit in with its fine chemical

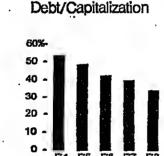
## Avco: Performance & Perspective.

#### Approaching \$2 Billion Avco's revenues have grown at a compound annual rate of 9.5% over the past five years. Rising backlogs Revenues.

reflecting participation in major longterm commercial and military pro-grams, including the L-1011 TriSta jetliner, the XM1 main battle tank and the Canadair Challenger executive aircraft, indicate continued growth. In 1978, \$184 million, including re-search and development funds and capital spending, was invested in Avco's future.



\$1.8B-



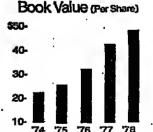
**Capitalization Ratio** The parent company's debt/total capitalization ratio has been reversed in the past live years - dramatically

reducing Avco's exposure to high short-term interest rates.



76

77 78



**Building Value** Book value per share has doubled since 1974 – an average compound annual growth of more than 20% each year. Common dividends are currently being paid at a 30¢ quarterly rate. equaling the highest rate in Avco's history.

#### **Highlights of the Periods Ended August 31.**

		1 rura (	Juarter	Nine Mi	onths
		1979	1978	1979	1978
Reven		\$474,192,000	\$437,120,000	\$1,411,530,000	\$1,264,760,000
· Earnin	gs Before Extraordinary Tax Credits	33,880,000	31,022,000	96,771,000	91,646,000
	rdinary Tax Credits	574,000	1,058,000	4,200,000.	3,338,000
Net Ea	mings .	\$ 34,454,000	\$ 32,080,000	\$ 100,971,000	\$ 94,984,000
Print	mings Per Share ary* Diluted	\$2.29 \$1.39	\$2.33 \$1.31	\$6.87 \$4.10	\$7.09 \$3.91
Stockh	noiders' Equity Per Common Share			\$46.82	\$46.18

AVCO CORPORATION (NYSE:AV) is a diversified company that offers a wide array of financial, insurance and management

services worldwide. It manufactures transportation structures and engines, electronics, farm equipment and other products; performs highly sophisticated research; distributes motion pictures and develops master planned residential communities.

For further information, contact Joanne T. Lawrence, Director of Corporate Communications, **AVCO CORPORATION** World Headquarters: 1275 King Street, Greenwich, Connecticut U.S.A. 06830

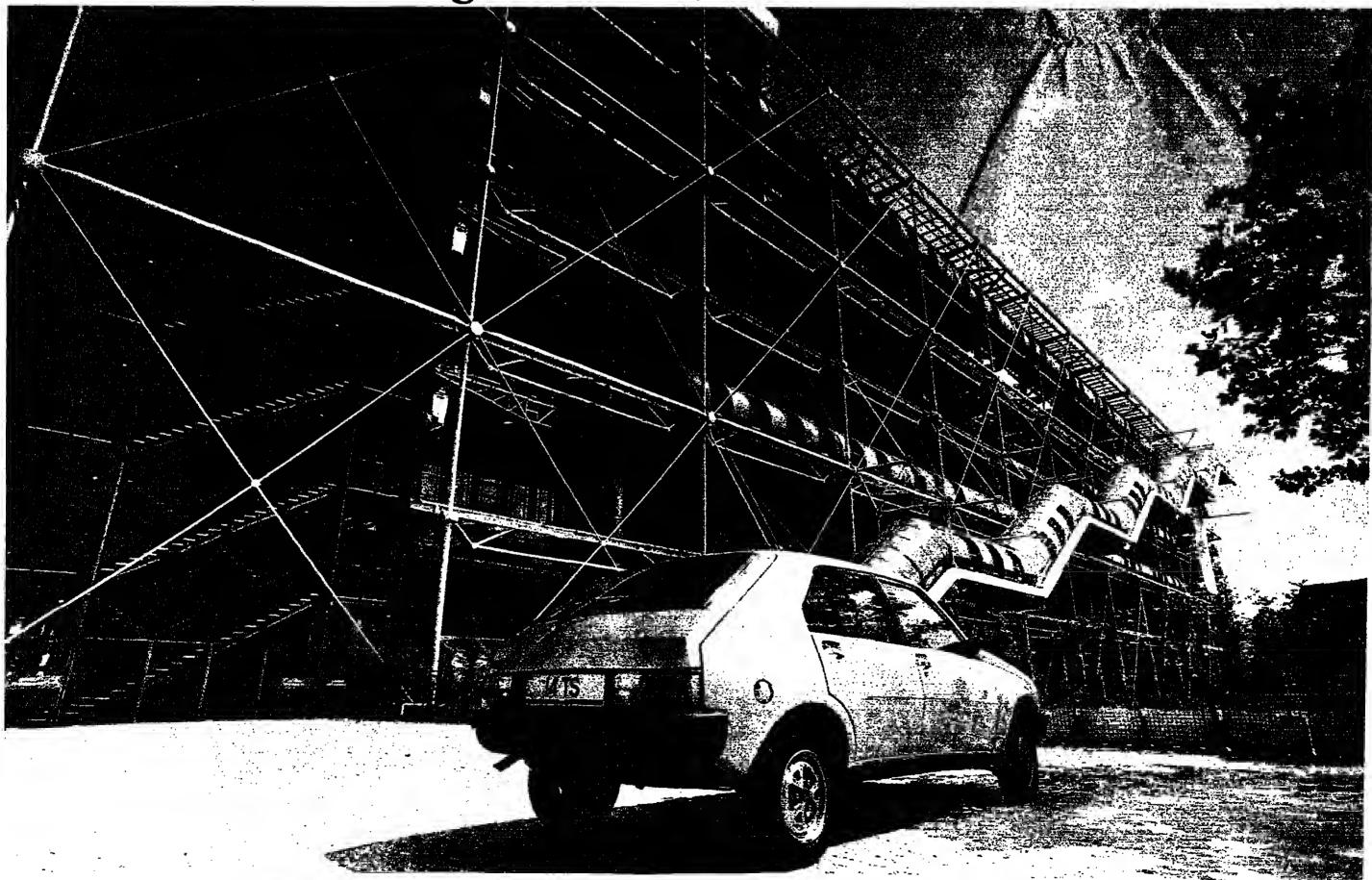


The bodyshell of the Renault 14 hanging in the Arts Centre Beaubourg, Paris. The finished piece is on view at your local Renault dealer.



Even without sculpted seats, rear fog light, quartz clock, electro-magnetic centralised door locking, rev counter,

tinted windows, 1360c.c. engine, head restraints, electric front windows.



DRIVE INTO THE 80's THE NEW RENAULT 14TS.

## Gompanies INTL. COMPANIES AND FINANCE and Markets

#### Sharp rise in profit at Singapore **Airlines**

By Georgie Lee in Singapore

SINGAPORE AIRLINES (SIA) has reported a rise of 43.1 per cent in group post-tax profit for the year ended March, to \$\$60.8m (U\$\$28m). At the airline itself the profit figure showed a 38.6 per cent improvement to \$\$39.1m.

Revenue increased by 28.5 per cent to \$\$1.61bn (U\$\$743m) at the group level, and by 29.7 per cent to \$\$1.48bu at the airline alone. Group expenditure went up by 29.5 per cent to \$\$1.49bn wbllc the airline expenditure rose by 30 per cent to \$\$1.42bn.

Capital spending of the airline moved up sharply, by 65.5 per cent to \$\$739.6m. Largely on account of the purchase of new aircraft and related equipment. Of this, 37 per cent or \$\$273.8m was financed by the airline's own funds. Mr. J. Y. M. Pillay, SIA's chairman, disclosed that capital outlays would average S\$900m annually for the next

Despite a 1.7 per cent improvement in the passenger yield, the airline's overall yield fell by 2.9 per cent from S\$1.051 per tonne-kilometre to S\$1.02 per tonne kilometre because of a low yield on freighter services. Unit cost, on the other hand, fell by 1 per cent from 62.2 cents per tonne kilometre to 61.6 cents per tonne kilo-

Traffic carried by the airline advanced by 34.5 per cent to 1.435bn tonnc kilometres while capacity rose by the slower rate of 30.8 per cent to 2.05bn tonne kilometres. This resulted in the airline achieving an im-

Commenting on the SIA's hard and fast controls on lend-prospects, Mr. Pillay said, "the lng. Instead officials are, immediate future is clouded apparently, resorting to direct rency loans by the major banks with uncertainty. Sharp warnings to individual hanks. stood at \$24.3bn, np from increases in fuel prices, inflation of other costs, and possible slow-down in growth of international meeting with bank representative from the time, and the time, are the time, and the time, are the time, and the time, are the ti travel dim the horizon. But in tives—has become the more foreign

sion into the North American

A Indos

## CSR bids for 16.8% of Thiess in the market

BY JAMES FORTH IN SYDNEY

CSR, the major industrial and mining group, has made an sbarehroker, Ord Minnett, CSR its stated target, or it could ambitious move to expand considerably its interest in coal, while at the same time attempt. The country of the close of trading. It was shareholders. ing to prevent further control also planned to trade in Thiess of Australian resources by in London yesterday. A full bld

the major Queensland coal producer, civil engineer and motor vehicle distributor, CSR did not

yesterday were at A\$6.74.

At this price, the CSR order would cost A\$74m—enough to acquire totally most Australian companies—and values Thiess

In any case the oil major, which is a 22 per cent partner, with their holdings for participation in some of the Thiess resource projects under consideration.

Thiess nas coal mines at Blackwater in Queensland and the projects under consideration.

The second of th acquire totally most Australian companies—and values Thiess at more than A\$450m (U.S.\$500m). The announcement of the order was designed to flush out sellers. The directors of Thiess countered by advising that a board meeting would be held today to discuss the move and a further statement would be issued. They advised sbareholders not to sell pending an assessment of the position, and a factor of the position, and a further statement would assessment of the position, and a factor of the position. The directors of Thiess countered by advising that a board meeting would be issued. They advised sbareholders not to sell pending an assessment of the position, and a factor of the position. The same the oil major. Shell holds 15.8 per cent of the capital. Shell has been building and the capital. Shell has been building at the capital shell has been building at the capital. Shell has been building at the capital shell has

likely, at least in the short term. vehicle distributor, CSR did not specify a price but all purchases yesterday were at A\$6.74.

has A\$100m or more at present might suit Sbell and the AMP in the money markets, which Society if they could exchange would enable it comfortably to their holdings for participation

The other major holder is the AMP Society, the life office, with of Australian resources by in London yesterday. A full DIG AMP Society, the life omce, with some foreign companies.

CSR yesterday announced largest takeover bid made for a that it bad instructed brokers to buy on the sbaremarket 11m shares or 16.8 per cent of the capital.

AMP Society, the life omce, with 10.3 per cent of the capital. These three holders account for 43 per cent of Thiess and could exercise control. CSR has a thing the capital of Thiess Holdings, South—but such a move is unlikely at least in the short term. ably ultimately aim at taking CSR is liquid, and reportedly the remainder of Thiess. This as A\$100m or more at present might suit Sbell and the AMP

assessment of the position, and sassessment of the position, and said that at that stage the board was unable to ascertain CSR's intentions.

a 16.8 per cent stake does not share rail and port facilities represent control of Thiess and with the proposed Hail Creek that the Shell holding represents an effective counter. CSR is the major partner.

#### INTERNATIONAL LENDING

### Japan banks warned on growth

BY RICHARD. C. HANSON IN TOKYO

the airline achieving an improvement in its overall load factor from 68.1 per cent in 1977-78 to 70 per cent in 1978- Attempts are being made, bownew dollar loans to overseas 1979.

In the 1980s we shall expand strongly into the U.S. market despite fierce competition from U.S. carriers."

STA has projected an average result of steps to control urgent since the total of out- amounted to less than \$10bn. annual growth rate of 20 per as a result of steps to control cent in capacity over the next like recent decline of the yen five years, chiefly through expandagainst the dollar.

rapid" increases in foreign cur- medium- and long-term loans

ever, to avoid the appearance of borrowers over several months. currency

The banks are required under tries, particularly high risk depresent guidelines to match veloping countries, has so far medium - term loans with medium - term borrowing what would constitute too much (greater than one year in lending to such countries. One maturity) to a 60 per cent proportion, hased on the initial loan loans to individual foreign Against this hackground, the a remaining maturity basis, this per cent of an individual bank's Finance Ministry and Bank of ratio stands at about 40 per assets.

THE MINISTRY of Finance has cautioned Japanese banks improve the ratio of medlum-against what it considers "over term borrowing to their creased.

Officials are less concerned at the moment over new increases in yen denominated loans because general curbs on new yen loan increases have already served as a damper.

Outstanding yen loans over seas at the end of August stood at Y1,274bn, or the equivalent of \$5.5bn. At the end of March, the figure was Y970hn.

The anthorities' concern that some banks might over-extend themselves to individual countries, particularly high risk dematurity. When viewed from countries should not exceed 20 This announcement appears as a matter of record only. September 1979.



## Petroleos Mexicanos

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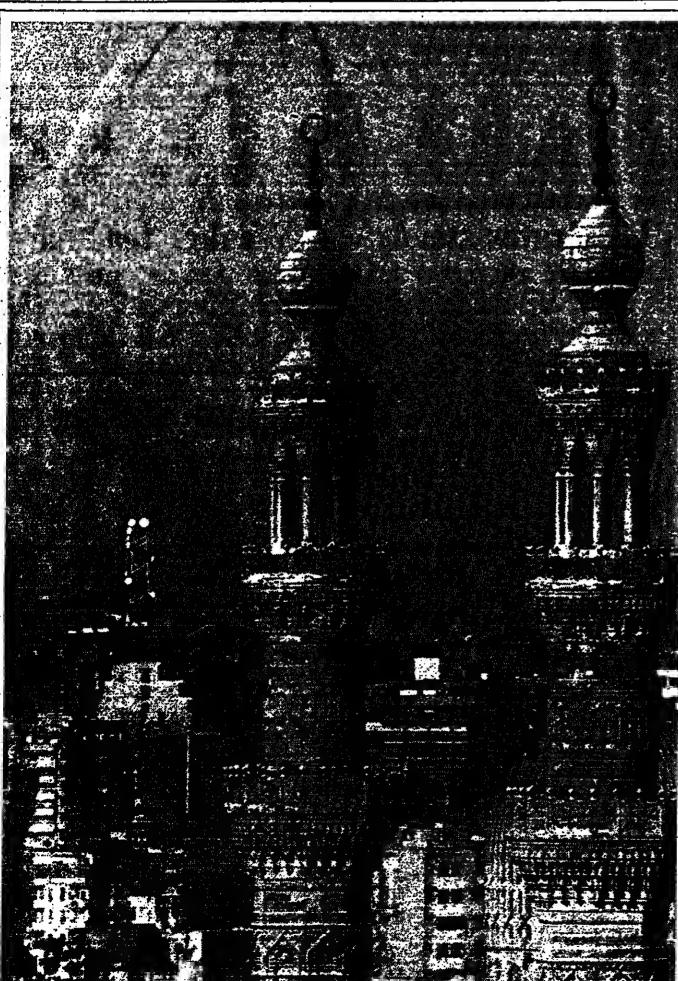
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For this ancient and rapidly growing city has a very contemporary problem: meeting urgent demands for telephone service.

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Now telephone traffic between exchanges is beamed over the rooftops—electronically. The new network handles up to 18,000 telephone conversations simultaneously—a 400% increase over the present system of underground cables—and we are now at work to double this capacity.

There's much more to Raytheon Data Systems

than microwave communications. Raytheon data terminals and processing systems, for example, speed travel reservations, insurance claims, and order handling. Lexitron word processing systems bring electronic speed and accuracy to business communications. It all adds up to a large and growing business—one that increased by more than 50% in 1978, for the second year in a row.

Raytheon Data Systems is an important part of our electronics business—one of the five basic business areas at Raytheon. The others are energy services, major appliances, educational publishing, and heavy construction equipment. For copies of our latest financial reports, contact any of the offices or companies listed below, or write: Raytheon Europe, 52 Route des Acacias, 1227 Geneva, Switzerland, or worldwide headquarters, Raytheon Company, 141 Spring Street, Lexington, Mass., U.S.A. 02173.

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#### and Markets

### CURRENCIES MONEY, and GOLD

## Sterling falls

Sterliog fell sharply in late afternoon on news of the abolition of UK exchange abolition of the controls. but forward sterling was very firm. The pound opened at \$2 1445-21455, and couched a best level of \$2.1450, and the bound of \$2.1300-2.1310 at noon. The sunouncement on exchange cootrols by the Chancellor of the Exchequer pushed sterling down in a low point of \$2.1060-2.1070, but it recovered stable of \$2.1070, but it controls, but forward sterling

against the pound.
The fall of sterling for spot delivery encouraged some intervention to steady the

dection by the Bank of England. The pound's trade-weighted index as calculated by the Bank of England, fell to 67.9 from 68.9, after standing at 68.7 at noon and 68.8 in the morning.

The dollar closed near its best The dollar closed near its best level of the day, rising lo DN 1.8085 from DN 1.8040 against the D-mark, and to SwFr 1.6740 from SwFr 1.6850 against the Swiss franc. It improved to Y235.50 from Y233.55 against the Japanese yen. On Bank of England figures, the dollar's index rose to 86.7 from 86.2. from 86.3.

PRANKFURT—The Bundes-haok did not interrece when the dollar was fixed at DM 1.8064 against the D-mark, compared against the D-mark, compared with DM 18000 previously. Soon after the fixing the U.S. currency touched a high point of DM 18075 before slipping back. There was no sign of intervention by the authorities in the open markel, but the D-mark gained ground against the Swiss franc as dealers reported switch.

ing out of the Swiss currency via the dollar.

AMSTERDAM-The replaced the Belgian franc as

DKr 18.155 per 100 francs from DKr 18.15. The Duich guilder, improved to DKr 2.6385 from DKr 2.6325 at the fixing. The dollar rose to DKr 5.2710 from DKr 5.2465 at the fixing.

BRUSSELS — The Dutch guilder fell in BFr 14.501 at the fixing from BFr 14.531. The dollar rose to BFr 29.055 from BFr 28.96, and the D-mark to BFr 16.076 from BFr 16.095. ZURICH - The sharp rise is U.S. interest rates depressed the Swiss franc against the dollar and the D-mark in early trading vesterday. The D-mark rose to SwFr 92.60, its firmest level for about a year, before easing to SwFr 92.44-92.52, while the dollar improved to SwFr 1.6750 from SwFr 1.6685 in very active tradiog.

MILAN - The dollar against the Ilra, and was fixed 6t LS31.70 compared with LS29.05 previously The Bank of Italy sold S18.8m of the \$20.45m traded.

TOKYO — The Bank of Japan sold another \$250m lo support the yen as the dollar rose to Y234.72! from Y232.75. Speculation about a possible rise in the U.S. Federal Reserve disgained ground against the Swiss count rate kept the Japanese franc as dealers reported switch currency under pressure.

#### EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 23	% change from central rate	change adjusted for divergence	Oivergence limit %
Balgran Franc :	39.8455	40.0740	+0.57	+0.57	±1.53
Oanish Krone	7.36594	7,28330	-1,12	-1,12	±1.635
Garman O-Mark	2,48557	2,49290	+0.29	+0.29	±1.125
French Franc .	5.85522	5.84443	-0.12	-0.12	$\pm 1.3575$
Outch Guilde.	2.74748	2.76481	+ 8.63	+8.63	±1.515
Irish Puni .	0.669141	0,670015	+0.13	+0.13	$\pm 1.866$
Italian Lira .	1159.42	1147.10	- 1.06	-1 06	14.08
Change	e ara Ins à	CU therefore	nositiva c	hance denotes	

weak currency. Adjustment calculated by Financial Times

#### THE POUND SPOT AND FORWARD

					•	
	Day's		One month	p.a	-	٠.,
Oct. 23	Spread	Close	Casar Haraner			- P
U.S. Canads Nathind. Beigrum Oanmark Ireland W. Ger. Portugal Spain Italy Norway Francs Swedon Japan Austria Swels.	2,1080-2,1460 2,5000-2,5440 4,224-30 61,15-62,25 11,14-11,30 1,0305-1,0405 3,81-3,86 137,00,108,00 139,70-1-11,80 1,758-1,783 16,58-10,75 8,94-9,06 8,96-9,13 495-508 27,45-27,50 3,53-3,60	2.1120-2.1140 2.5050-2.5030 4.23-4.24 4.23-4.24 10.35-61.45 11.14'11.75' 1.035-1.03' 1.07-1.759 10.59-10.61 2.95-8.96 2.95-8.96 27.50-27.55 1.53'3-54'	0.15-0.25c cis 3.35-0.25c psi 2's-1'sc pm 5c pm-5c dis 2's-1'sc dis 2's-1'sc dis par-2 line dis 2-1'sc pm 3's-2'sc pm 3's-2'sc pm 3's-2'sc pm 3's-3-50y pm 2-10ro pm 4's-3-6 pm	1.44 5.90 Par - 3.50 - 2.55 - 7.05 - 8.29 - 0.88 - 7.28 -	8.78-0.884m. 0.40-0.30 pm 5'-44 pp 10' pm. par 10' pm. par 10'-12' dia 0 70-0.884is 6'-5'- pm 190-280 dis 165-74'5 dia pm-2 dia 3'-2' pm 4'-2' pm 4'-2' pm 4'-2' pm 4'-2' pm 4'-2' pm 4'-2' pm	1040428831011751
			ara financial	Oac 62	Mildel Committee	

Selgion rate is the convertible traces. Financial from 62 1948 Sec. Sec. month forward dulls 1 15-1 75c. doi: 12-month of 80-1 00c. do.

#### THE DOLLAR SPOT AND FORWARD

n_, 22	Sproad	Close	One month	p. 3	Months
Oc1. 23	spineu			<del></del>	
UKt	2.1060-2.1460	2.1120-2.1140	0 15-0.25c dis		0.75-0.85drs
Irelandt	2.0470-2.0660	2.0476-2.0525	0 50-0.25c pm	2.19	1.00-0.70 pm
Canade	1.1845-1.1870	1.1864-1.1867	0 27-0 22c pm	2.53	0.53-0.52 pm
Nethind	1.995C-2.0000	2.0047-2.0057	1 12-1 02c pm		2 19-3.09 pm
Belgium	29.02-29 08	29.05-29.07	5-3c pm		15-12 pm
Danmark	5.2670-5.2770	5.2745-5.2760	0 60-1 30are dis		3-3.50 die
N. Ger.	1.9035-1 8100	1 8080-1 8090	1 32-1.22pf pm		2 42-3 32 pm
Porsunal	50 25-51.00	50 85-50 95	15-30c dm		45-80 dis
Spain	66.10-66.30	66.24-G6 Z8	10-20c dis		60-85 dls
tolv	830 80-332 30	531.70-832 20	O 101 pm-0 30dts		1-1.50 dla
VOLWIA	5.0100-5.0240	3.0130-6.0140	1.75-0.75om pm	2.99	T.50-0.50 pm
France	4.2310-4.2400	4.2370-4.2390	1.39-1.10c pm	3.40	2 60-2.30 per
Swedan	4.2370-4.2580	4.2545-4.2555	1.65-1.45orp pm		3.85-3.95 pro
Japan	234.70-235 70	235.45-235 55	1.90-1 76y pra	9.30	4.75-4.60 pm
Ausino	13.00-13 04	13.021-13.031	9-8.50gro pm		23.50-22 pm
MIDTILL	1 6650-1.6775	1.6735-1.6745	1.99-1.94c pm	54 09	5.35-5.30 pm

URRE	ENCY RATES	CURRENCY		MENTS	
	lank Special Europea alo Orawing Current S. Rights : Unit		Sank of England	Morgan Guaranty changes %	
	14 0601638 0,64410 12 1,29414 1,38643 13 1,53018 1,63738	Canadian dollar		-37.4 -6.3 -18.0	63

#### OTHER MARKETS

Oc1 23	£	8		Note Rates
Argentina Peso Australia Dollar Brazil Cruzeiro Finland Markka Greek Orachma Hong Kong Dollar Iran Rial KuwaitDinar KDI Luxembourg Fro- Malaysia Oollar Now Zealand Olr Now Zealand Olr. Saudi Arab. Riyal. Zingapore Dollar Sth. African Rand	54.13.65.13 8.046-8.055 79.776-81.892 10.321-10.541 148.2-154.8 0.593-0.603 31.35-81.46 4.3020-4.6120 2.1890-2.1650 7.15-7.25 4.5820-4.5920	0.9017-0.9041 30.40-50.85 3.8075-3.8096 37.20-37.85 70.280-8.0510 70.25-73.25 0.2790-0.2793 28.05-29.07 8.1766-2.1795 1.0194-1.0225 5.6316-3.3605 2.1700-8.1730	Austria	8.75 8.85 17.70-18.30 4.97-5.07 4.20-4.30 10.60-10.80 104-118 139-145 3.45-3.60 2.10-2.12

#### **EXCHANGE CROSS RATES**

Oct. 23	PoundSterling	U.S. Ooflar	· Ooutschem's	k Jepan'scYen	FrenchFranc	Swise Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Beiglan	Fran
Pound Sterling U.S. Dollar	0.473	2.115 1,	3.823 1.809	488.0 285.7	8.955 4,238	3.540 1.678	4,288 2,004	1758. 832.0	2,505 · · · · · · · · · · · · · · · · · ·	61.46 29.00	
Deutschemark	0.262	0,55 <b>3</b>	1.	130.3	2,545	0,826	1.108	452.9	0,656	16.0,	
Japanese Yen 1,000	2.008	4,243	7.575	1000.	17.98	7,108	8.504	3530.	3.032	123-	
French Franc 10	1.117	2,360	4,289	856.1	10.	3,953	4.729	1963.	2.798	68,3	
Swiss Franc	0.282	0,597	1.080	140.7	2,530	1.	1.196	496.6.	0.708	17.	
Dutch Guilder Italian Lira 1,000	0,236 0,569	0.499 1,203	0.903 2.174	117.6 283.8	2,115 -5,094	0.836 2.014	2,409	415,1 1000.	0.592 1.485	14.9 54	
Canadian Dollar	0,399	0,843	1.525	196.7	5.575	1.413	1,890	701.5	4.081	24.	a
Belgian Franc 100	1,329	3,441	6.225	811.1	14.58	5.765	6.897	3863.		100. t	30

EURO-CURRENCY INTEREST RATES The following nominal rates were quoted for London dollar certificates of degoars; one month 14.20-14.40 per cent; three months 14.50-14.60 per cent; say months

Oct. 23	Sterling	U.S. Dollar	Canadian Oollar	Dutch Guilder,	Swiss Franc	West Gorman Mark	French Franc	Italian Lira	Asian \$	Japanese Ye
tShort term 7 days' notice. Month	n.a. 14-141 <sub>2</sub> 147 <sub>4</sub> -151 <sub>4</sub> 147 <sub>5</sub> -151 <sub>4</sub> 147 <sub>5</sub> -161 <sub>4</sub> 142 <sub>6</sub> -141 <sub>4</sub>	1612-13 15% 1618 15%-1578 16-1314 15%-1570 14%-14	101c-1112 121c-131c 13-133s 13-13-13-1 13-13-13-13-13-13-13-13-13-13-13-13-13-1	91,-91,- 91,-91,- 93,-95, 95,-97, 95,-27, 25,-96,	114-114 214-236 614-314 618-314 312-338	756.71: 7.6.71: 8-8.1. 8:2.859 8:4.838	11\q.11\3 11\q.11\3 12\q.12\3 12\q.12\3 13\q.18\4 13\q.14 13\q.14	15.15 13 15 144.1512 1512-1612 134-1714 16-17	15 <sup>3</sup> <sub>1</sub> ·157 <sub>8</sub> ·151 <sub>2</sub> ·155 <sub>8</sub> 151 <sub>2</sub> ·155 <sub>8</sub> 15(2-16 <sub>4</sub> ) 15;;·16;: 14 3-14;;	84-1014 44-5-73 612-745 751-8 8-814 712-8-8

Long-term Eurodollar two years 12½-12½ per cant; three years 11½-12½ per cent; lour years 11½-11½ per cent; nominal closing rates. Short-term rates are cell for starling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss trance. Asian rates are closing rates in Singapore.

and one-month money dropped to 93-94 from 91-93 per cent. The

**UK MONEY MARKET** 

Bank of England Minimum Lending Rate 14 per cent

(since June 12, 1979)

Interest rates rose quite sharply to London yesterday following the abolition of

exchange controls, as announced by Sir Geoffrey Howe, Chancel-lor of the Exchequer. Three-

quoted at 141-141 per ceot com-

earlier in the day and 13i-14 per

LONDON MONEY RATES

pared with 14 h 14 h per cent

month interhank money

Firmer

trend

#### INTERNATIONAL MONEY MARKET

## U.S. rates steady

Early trading in U.S markets per cent, and 141-141 per cent esterday was described as against 14-141 per cent for three-haotic with the Fed fund rate month. Six month deposits rose yesterday was described as chaotic with the Fed fund rate reflecting natural demand for money by rising to 17-18 per cent initially. Later in the day, however, it eased to 163-174 per cent which was still a very wide spread. Interest rates on securities have tended to reflect a general feeling in the market that the U.S. discount rate is likely to be increased sooner than later, and 13-week Treasury hills stood it 12.98 per cent compared with 13.20 per cent at the opening and Monday's record auction tevel of 12.932 per cent. Similarly 26week hills rose to 12.68 per cent at the start before falling back to 12.68 per cent compared with 12.651 per cent at the suction. year bills also showed a

steadier tendency with early quotes of 11.98 per cent against 12.40 per cent previously. Later in the day Morgan Guaranty pushed its prime rate up to 15 per cent from 144 per cent with immediate effect. As such Morgan Guaranty is the first bank to move to the 15 per cent level, and other major banks are

like to follow suite.

FRANKFURT — Interest rates were generally firmer where changed yesterday, with call money rising to 8.30-8.50 per cent from 8.15-8.25 per cent and one-month money higher at \$50.870 month money higher at 8.50-8.70 per cent compared with 8.50-8.60 cent Three-month funds to 8.90-9.10 per cent from 8.50-8.90 per cent while the six-month rate firmed 10 8.50-8.70 per cent from 8.50-8.60 per cent: 12-month money was quoted at 8.25-8.50 per cent against 8.30-8.50 per ceol.

BRUSSELS — Deposit rates for the Belgiao franc (commercial) were quoted at 141-141 per cent for mone-mooth, up from 137:141

MONEY RATES **NEW YORK GERMANY** Oracount Rate Ovarnight Rate FRANCE Oiscount Rate Ovarnight Rate 12.4375 IAPAN ndinonal] . .... 6.8125

## Weaker tendancy

Gold fell \$8 to close at \$384-386 in the London bullion marke1 yesterday, showing little early reaction to the measures on to 137-14 per cent from 131-131 per cent and the 12-month rate was higher at 123-13 per cent exchange conrols and gold ownership by UK residents. The metal opened at \$387-389, the highest level of the day, and fell to a low point of \$382-384. compared with 121-121 per cent. AMSTERDAM-Call money continued to ease yesterday to 83-93 per cent from 94-95 per cent

was fixed at FFr 53,600 per like (\$393.42 per ounce) in the afternon, compared with FFr 53,875 (\$395.90) in the morning, and FFr 54,500 (401.59) Monday afternoon.

In Frankfurt the 124 kilo bar was fixed at DM 22.455 per kilo (\$336.97 per ounce) compared with DM 22.830 (\$394.50). In Paris the 121 kilo gold har with

	and one-month money dropped			272 274	( POP A
,	to 92-94 from 94-93 per cent. The	Oct	tober 26 ·	0	stober 22
	three-month rate feil to 9½-10½ per cent from 10-10½ per cent and six-month money was lower at 9½-9½ per cent compared with	Go Close	(£181.6.182.5) (£180.6-181.5) (£180.993) (£180.997)	1000    63 92_324   83 23_396   \$3 93,50	(2162.3.183.5) (£182.8.184.4) (£183.765)
	94-10 per cent.  PARIS—Call money fell back to 111 per cent after rising on Mon- day to 1111 per cent for techni- cal reasons One-month money remained at 111-12 per cent hut three, six and 12-month funds were at higher at 123-121 per cent against 121-121 per cent pre- viously.	Krugerrand	Gold Coins (£184-187)	8392.00  \$400.402  \$404.416  81003-1025  \$110.112  \$109.116  \$170.116  \$483.494  \$373.387  \$485.490  \$235.350	(£185,187) (£186,187) (£188,194) (£464,474) (£51,534) (£51,534)

cent on Monday. Similarly, the one-year rate finished at 13%. 1311 per cent against 13%-131 per cent on Monday. Trading was quite hectic and confused, and the rise in rates reflected z natural adjustment in the light of higher interest rates offered on the continent.

Day-to-day credit remained in short supply, and the authorities gave assistance on an exception-ally large scale. This comprised moderate purchases of Treasury bills and a moderate number of local authority bills, some of both being for resale each at a fixed future date. In addition the authorities lent a large sum to five or six houses at MLR for repayment today.

The market was faced with the

large market advances and small net take up of Treaser, hills to finance. There was and 6 small excess of revenue tra fers to the Exchequer over Government disbursements despite the rate support grant ments, and there was a slight acting as nue of the dis increase in the note circulation Overnight money in the little Overnight money in the Ber-hank market opened at 14,141 per cent and rose on the short age to 14,141 per cent. Most of the day's business was seen at 14,141 per cent, although russ eased during the afternoon-to between 10 per cent and 13 22 cent.

repayment of Monday's very

Rates in the table below # nominal in some cases.

Oet. 25 1972	Sterling Certificate of deposit	Inforbank	Local Authority deposits	Local Auth.; negotiable bonds	Finance House Deposits	.Company	Discount morket deposits	T	Eligible Bank Bills #	Fig
Prornight days notice days or days notice me month wo months hree months.	144-14;; 144-14;;	14 14 se	14-14 is 14:3-14 is 14:3-14 is	151 <sub>1</sub> 141 <sub>8</sub> 141 <sub>4</sub> 141 <sub>9</sub>	141 <sub>2</sub> 141 <sub>2</sub> 141 <sub>9</sub>	141 <sub>9</sub> 141 <sub>2</sub> 141 <sub>2</sub>	13-14 137s 135e 135e	16.L. 13.j.	14.3 14.14.4	-
ix months line months ne year wo years	14-13; 13 ig 13 ig 16-1-13 ig	14-14% 14-4-14-15 1379-14 13-8-13-14	1812-14	144-14 14-134 137g-1314 131g-1314	1419 1419 14 1818	1412	181	164	15 g 14 15 g 15 g	1

mites nominally three years 134-139 per cent; five years 133-133 per cent; five years 133-134 per cent;

House Base Rates (published by the Finance Houses Association) ik Deposit Rates for sums at seven days' notice 111-12 per cant. ury Bills Averago tender rates of discount 13 6746 per cant.

## FINANCIAL TIMES SURVEY

Wednesday October 24 1979

# COTTON

Cotton has staged a remarkable comeback this decade, partly because as a textile it has been much less hit by higher oil prices than the competing man-made fibres and partly because of a growing fashion for natural fabrics. The industry is now girding itself to consolidate its successes.

## Poised for a fresh attack

John Edwards Commodities Editor

COTTON IS very much taken for granted. It is perhaps not generally realised that it is by far the single most important textile fibre, accounting for over 50 per cent of the raw material used by the industry. It is likely to play an even greater role in belping to clothe the world's population in the years ahead as man-made fibres are undermined by the rise in oil prices. There are bopes too that cottonseed, which is already a big supplier of edible oil, will also provide a great deal more of the protein so urgently needed in the world.

At the same time cotton is a major source of income for many of the poorer countries, providing the bulk of export earnings for the developing world both as a primary product and, in recent years, a made synthetic fibre manufac-

Cotton bas its problems, however. Not so long ago the industry seemed destined to be relegated to a minor role as man-made fibres captured an increasingly large share of the

textile market.
Although the battle for survival has been won—with the unwitting help of the oil producers—there is still a hard struggle ahead for cotton. It struggle ahead for cotton. It too bas been bard hit by the oil price increases, which have raised the cost of production all down the line—from farming inputs, such as tractor fuel and fertilisers, right up to the general inflation in the cost of manufacturing processes. And although cotton is now price-competitive with man-made competitive with man-made fibres, it should be remembered that price is not everything. It is often just an excuse for lost

#### inroads

The first big inroads into the cotton market were made when synthetic fibres were considerably more expensive. They were able, however, to offer advantages to consumers—such as easy care and cleaning—that cotton was unable to match adequately.

Considerable research efforts bave been made to improve the qualities of cotton while retaining its growing appeal as a "natural" product, and these are just about to bear fruit. But the rise in oil prices, and pressure on supplies, bave together

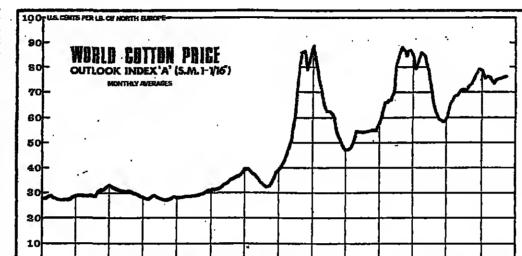
turers rationalise their industry by cutting out surplus and unprofitable capacity. As a result they are by no means a spent competitive force, and indeed show signs of being in a stronger position to compete, despite losing the previous price advantage.

Last year cotton suffered a marginal setback in two of its major markets-Europe and Japan-with cut-price imports reducing demand from spinners. Short-term prospects are looking far from rosy with the predicted economic recession in the U.S. threatening to bring a general downturn in the textile industry.

If a setback in prices occurs as a result of a drop of demand from the textile industry, this might well persuade cotton growers to turn to other more profitable products and create a shortage of supplies that would weaken cotton's future competitiveness. In certain areas, such as Sudan and Egypt, there is already pressure to move out of cotton into foodstuffs required for domestic consumption.

Even if this were to happen, however, the potential for increasing production is con-sidered to be more than adequate to cater for the expected growth in demand. Yields in many areas, especiaally some of the developing countries, could be considerably raised by better busbandry and more inputs, let alone improved varieties. Production may also be en-

couraged by current research into developing the use of cot- developing countries



tonseed meal as a foodstuff. The presence of a toxin, known as gossypol, in the cottonseed prevents it as yet from being utilised for buman consumption. But new technology is being de-veloped that will effectively remove the presence of gossypol and open up new market for cottonseed flour that could be a valuable extra source of protein.

·But the main incentive to maintain cotton production at the required level is obviously to ensure a reasonable return for growers. Cotton is one of the ten "core" commodities included in the UN Integrated Programme for Commodities be-cause of its vital importance to

The objective is to secure an trolled the world price of cot-international agreement among ton by holding massive surplus the leading producing and consuming countries to stabilise prices with the use of a central buffer stock that would buy up surplus supplies when the market falls too low and sell when prices go too high, Negotiations for a cotton pact are going very slowly indeed, bowever, and there are serious doubts as to wbether a buffer stock is feasible or the best way of tackling the problem. Cotton has an additional complication in that the two leading exporters are the U.S. and the Soviet Union, who

would benefit much more than developing countries. The U.S. at one stage contions of the UN Food and Agriculture Organisation. Although cotton did suffer during times of economic recession, it managed to improve its market share against other fibres.

There are moves afoot to expand these promotional activities under a wider umbrella as an alternative to seeking to maintain cotton prices by artificial control of the market. Cotton obviously has a bright future. It bas a natural appeal much in line with modern environmental and coelegisal vironmental and ecological trends, and it remains fashlonable, with products like denim jeans retaining their popularity.

#### Fickle

ton by holding massive surplus stocks that were available at

specified price levels. But cir-

cumstances bave changed a lot since then, if only in the buge

cost involving in bolding stocks,

as well as the need to be flex-

There is strong evidence that

ible in meeting competition.

Improvements in its "easy care" properties should help to maintain its popularity, especially if prices remain competitive. But fashion is a fickle creature and any complacency by cotton prodocers, based on manmade fibres being forced out by oll supply problems, could be extremely dangerous. Just like any other produce cotton bas to be sold and marketed pro-perly if it is to recapture more of its lost sales in the textile industry and thereby provide producers with an adequate

demand for cotton, which reached a record 62.7m bales Next year could well he a tough one for cotton, if the eco-nomists are proved right in In the 1978-79 season, does respond to market promotion. The International Cotton Insti-tute, which coocentrates its protheir predictions of a major industrial recession. One of the easiest ways for families to economise is simply to cut back. Europe are likely to remain the motional efforts in Western Enrope and Japan, is able to

to move ahead again, providing it is recognised that successful market promotion is just as important as ensuring adequate supplies and avoiding violent price fluctuations.

It is often claimed that the expanding markets for cotton are in the developing world. This is true to some extent, but it should be remembered that much of the raw cotton usage in the growing textile industries in developing countries comes back to the developed worth in the form of manufacturer goods —a fact that has aroused some anger from spinners in deve-loped countries who have re-ceived sympathetic support from some governments in re-sponse to pleas for protection from "cbeap price" imports. China is also seen as a poten-

tially huge market for expanding cotton sales. The Chinese in recent years have stepped up their purchases of cotton in the However, it is doubtful whether this demand will continue to grow at the same rate. China is already rapidly increasing its productive capacity for man-made fibres to take advantage of its oil supplies and abun-dance of cheap labour.

It could well be that China in the years ahead may satisfy domestic demand with manmade fibres and either cut down cotton purchases or even be-

show that cotton sales in these on their purchases of textile leading markets for cotton areas bave increased substan-products. But in the longer where the battle against contially over the gloomy predictierm cotton bas every chance petitive fibres will be fought. leading markets for cotton.



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## World harvest prospects THE DANGERS and uncernegligible, principally because less frequently, often to the no other part of the world will cotton cheaply, tainties now facing growers and of the abundance of lahour but detriment of both quality and the outcome of the current crop in South A the trade liself are not of also their complexity and the yield. But the deficit to the have quite such profound conreviving after a

course peculiar to cotton. Unforeseen increases in production costs and loterest rates, erratic foreign exchange movements and sudden variations in the strength of demand are difficulties that have attended business in all agricultural commodities since the early 1970s—as if that familiar enemy the weather did not already provide problems enough. Yet since cotton, by far the largest industrial raw material derived from the land, is vital to the economic well-being of so many countries, its tribulations should be of special

concern to all.

Reference will be found elsewhere in these pages to the opportunities that are most certainly opening up for cotton as the price of oil, the raw material for synthetic fibres, increases the cost of their manufacture. Throughout the world prices quoted for polyester have risen rapidly this summer, just at a time when the latest chemical treatments are at last effectively imparting to cottoo many of the "easy care" pro-perties for which the synthetic fibres have hitherto been

However, dearer oil is of major significance on the farm. It is used to fuel tractors; it drives the irrigation pumps without which production of cotton would in many areas be impossible; it is a major factor in shipping costs; and it is (above all perhaps) the basis for the manufacture of essen-tial fertilisers, insecticides and herbicides.

The story of cotton since World War II is best told in three chapters. The first saw the U.S., earlier the predominant producer, support its domestic farm price during the 1950s and 1960s at so high a level that output shifted increasingly to Russia and the develop-ing world, which could sell more cheaply. The second saw Washington abandon that policy during the late 1960s and U.S. farmers fighting to regain their lost markets by offsetting the cost of cheap labour elsewhere by the impressive use of machinery and scientific scientific methods of production.

During both those chapters oil (and therefore farm chemicals) remained cheap. Ylelds per acre of cotton rose steadily, going at least some way towards meeting increased competition from man-made fibres. Russia quickly followed the U.S. in the adoption

also their complexity and the consequent difficulty of ensuriog their satisfactory maintenance and operation.

· Those chapters saw too the steady erosion of West European and U.S. textile industries, under pressure from imported Cotton was being processed increasingly either in the developing countries that grew it or in the populous Far Eastern

countries eager to industrialise.

Dearer oil abruptly closed the second chapter. It coincided with another development that was in some ways almost as significant—the realisation that certain farm chemicals that were invaluable to the cotton grower were ecotogically undesirable. The use of DDT, for example, was universally condemned.

#### Painfully

The third chapter, now unfolding, finds farmers throughout the world adapting painfully to this new situation, with the U.S. and probably Russia in a clear position of advantage. Oil prices are of course rising rapidly in the U.S. but are none the less still substantially below those prevailing in the developing world. Russia too bas ber own

For Turkey and most of Africa, for Pakistan and India, and for virtually all Central and South America, rising rates of inflation and the weakness of the doller bas made competition from the U.S. farmer increasingly severe. Since hand labour

balance of payments of most developing countries is so large that cotton must continue to be produced and exported.

To many the present difficulties may for the moment look insurmountable. There is ample evidence none the less of what can be done. What is usually lacking is not so much the technological means to produce cotton cheaply as the finance and expert guidance (both scientific and political) to

ensure their proper application.

New and ecologically safe insecticides are being intro-duced, better seed strains developed. One could wish too for a little more benevolence on the part of the weather. Just two successive seasons of good growing conditions are often sufficient to demonstrate the potentialities to countries which have risked their slender resources on agricultural development. All too often of late—as recently in Argentine and Paraguay—they have been cruelly denied.

Harvesting of the 1979/S0 crops is now at its peak in the Northern Hemisphere, which accounts for about 80 per cent of world output. Barring severe economic sethack, world coo-sumption in the season should approach 62.am bales (of 480lb.). The world crop should be in the region of 64m bales, of which almost 14 am may be grown in the U.S., 12.5m in Russia and about 10m in China

(for its own use). is no longer cheap, maturing What then of the remainder? where vast tracks of land south cotton plants must be picked One has the impression that in of the Sabara could produce

cotton crops. Savage flooding of

"normal" growing acason almost defies belief. Given just three more weeks of satisfactory weather the crop will not only exceed 3m bales, providing about 1.2m for export, but be of excellent spinning quality. One can only speculate upon the effect that such success at this juncture might bave on national morale.

India presents an intriguingly contrasting picture. The country plants in fact the largest national acreage in the world. but having the lowest yield of any major producer, habitually picks only about 6m bales. How-ever, research has brought numerous bigb - yielding varieties on to the market in the past few seasons, and the country is not only now selfsufficient throughout the quality range but becoming an exporter in the longer staples. As the some anxiety.

There is, unhappily, no com-

have quite such projound con-sequences for the future as it tive decline. Excellent new international marketing of settle in Palestan and India seed strains breathed new life cotton other than that grown in will in Pakistan and India. seed strains breathed new life Pakistan has for many years into cotton in Paraguay and held out the promise of huge Argentina last year but rain took heavy toll of yields and the irrigation schemes, and farmers may now be turning insect infestations that have back to the food crops. Brazil proved virtually uncontrollable achieved spectacular results last have dashed all such hopes. I year with a new seed variety was not alone in assuming this for the southern region and spring that the resultant despair may therefore shortly re-emerge would preclude significant recovery for years to come.

What bas occurred in a single normal growing agreement almost defer harmonic growing agreement.

Conversely, an embryonie exporter, Bolivia, appears to bave lost heart because of costs. and an earlier success. Colombia —which will be host to this year's meeting of the International Cotton Advisory Committee (the "United Nations" of cotton) — may just he recovering after a painful

#### Reducing

Central American growers are particularly unfortunate in the severity of their insect infestations, which can have disastrous effects on costs. Yet here, too, research is pointing to means of reducing the number of chemical applications needed, and except in war-torn Nicaragua, production has held up fairly well.

monsoon was late and erratic now reach about 19m bales per this summer, the final results of season. Of these, fully 6m will the barvest are awaited with be supplied in 1979-80 by the U.S., and 4m, say, by Russia. Centralised exporting institu- progress. for its own usel. parable tale to relate of Africa, tions, either nationally or What then of the remainder? where vast tracks of land south co-operatively controlled, pre-

the African, Asian and several the outcome of the current crop have quite such profound conreviving after a period of relaenterprise participation in the the U.S. is thus becoming in difficult.

Moreover, China's purchases to supplement its own crop seem now to total more than 2.5m bales per season, a large proportion of which comes from the U.S. Since purchases by Japan and the South East Asian countries account for 7.5m (against 5m by West European); the focus of international business has shifted emphatically to the Pacific Basin.

The West European trader, whose speciality has long been in the "non-U.S." growths, thus finds himself both at a geographical disadvantage and reliant largely on centrally planned sources of supply. That he continues to perform an effective role in the world market must answer in very large part the contention fashionable in some quarters that the international trader influence upon prices. While he would not deny that his funcjustifiably claim to have become increasingly important in recent years as a means of communicabetween countries and consumers. Among his current priorities

must be to support endeavours to ensure that his supplying countries are not left behind by technological the pace of

> John . Garner Editor, Cotton Outlook

## Need to defend market gains

consistently in the previous two hundred countries around the decades in the face of the then world. fast-growing man-made fibres, cotton has in recent years seen lts sbare of world textiles—still more than 50 per cent overallfirst stabilise and then edge upwards again.

For all the technological and marketing sophistication at their disposal the man-made fibre producers bave between them managed to lose literally of machine barvester; for cot-billions of dollars since the oil ton, hnt their use elsewhere was crisis in 1974, while cotton,

IN THE world of textiles the though it too has suffered from now been worked out-based on which is now being deployed by steep rise in the cost of all 1970s will go down as the the long recession affecting the value of cotton and cotton the IIC in talks with manufactor aw materials polyester prices decade when cotton achieved textiles, has remained a value goods exports and not just raw turers and retailers is the up-have risen sharply and this the near-impossible. After see- able crop for tens of thonsands cotton—the changes have not market profile which the fibre ing its market share decline of farmers in more than a come in time to prevent a now has and the premium consistently in the previous two hundred countries around the severe cutback in cotton promo- which as a result can be asked

Cotton's comeback is sure to

be a topic for historians and sociologists, ont some of the causes they will deduce are already apparent. The rapid growth of man-made fibres coincided with the expansion of mass purchasing power in the and 1960s, and indeed made it possible for consumers in the West to own more and better clothes than ever before. and even against rapid growth. been heavy promotion in the in fashion as in other areas UK of Conrtauld's acetate there has been a demand for fibres, and the group is currently

Whereas in the 1950s cotton had seemed dated as a product, it is now very much in tune with an age in which there is increasing emphasis on renewable resources-especially those that can be grown in poorer countries—as an alternative to ficite resources such as oil. The new favour cotton has found has meant that the promotional activities for the fibre which bave been mounted since 1967 by the International Institute for Cottoo (IIC) in important Western markets bave been falling on receptive ears and hence bave been doobly fruitful. But although cotton bas been doing well, increasing its share of some important end-uses, the

bigh rating which it enjoys with consumers is clearly not going to stay unchallenged. The fashion influeoces which have tended to sustain demand for the fibre may change, but even if they do not, a renewed assault on cotton's markets is certain to come from the fibre producers. Cottoo has been promoting itself over receot years at a time when most man-made fibre producers have been forced by heavy losses to cut back severely on advertising, and as a result cottoo has had a much clearer field than it might have ex-

#### Changed

The fibre producers bave now. however, regained some of their strength as a result of major cuts in employment, reductions in capacity and the introduction of new and much more efficient machinery. The marketing marketing strategy adopted by the major groups has also changed. Much more attention is being placed on finding out what is required by consumers and on seeing and in men'a and wbether the fashion character- jackets, but because o istics which are in demaod can fibres. Very often thia means reproducing as near as possible sheets. Cottoo's share of the UK the characteristics—such as shirt market is now down to 20 softness-which · have made

cotton popular. The big groups are also put-ting much more emphasis on co-operation with yarn and fabric manufacturers and retailers, and on the development of joint marketing programmes. This approach, it is hoped, will influence selection of fibre by the mills and bence the choice available to the consumer.

For cotton it represents a strong threat, particularly at a time when the industry's own promotion activities have run into problems. The IIC draws its income from a levy of its 12 members but this has falled. its income from a levy or us is members but this has failed to spring.

Cotton is anxious to hold on a markets such as

tion this year. In the UK for for goods made from it. example the IIC has had to cut out completely its joint promo- ton's biggest share of the shirt

aloogside the man-made fibre promotions that are now heing better clothes than ever before. lannebed again after an absence The 1970s have seen a reaction of several years. This autumn, against size, against technology, for example, there has already natural products—particularly in the process of relaunching its among the young—to the Courtelle acrylic fibre.

Against the background severely reduced income, IIC has been concentrating on maintaining what it regards as its most essential service — the provision of information and advice to the trade on colour. styling and fashion trends. The importance of this service, as Mr. Roy Keeling, marketing director for the IIC in the UK points out, is in infinencing the mills in their selection of fibre. We can last out a year or two without consumer advertising, but we have to he able to continue to offer a service of new ideas for colourings, fabric construction and textures if we are to compete with the man-made fibre groups."
IIC's Loodon office will also

be showing at the November Interstoff exhibition in Frank furt ranges developed by mills from countries all around the world, including around 70 from Britain. In this way even small companies working in cotton get the chance to show their designa at the world's most important fashion exhibition. One idea which IIC's London fashion team bas belped to develop for next year with UK mills is colour woven corduroy, while fashion predictions for next year

include cubist and mosaic prints. The hoped-for resumption of consumer advertising next year to supplement this service is now seen as particularly important because of a number of important new developments in cotton which could significantly areas where it has been losing

ground.

Cotton has registered its major successes over recent years in trousers—both denim and cordnroy are 100 per cent cottoo products-in dresses and skirts, in T-sbirts, jackets, hnt because of its lack of easy-care properties it bas he reproduced in man-made been losing its share of two very large markets, shirts and per cent compared with 25 per cent 5 years ago and in sheets the drop over the same period has been from 40 per cent to 31 per cent. Twenty five years ago cotton bad almost 100 per cent of both markets.

There are now processes around. however, which are claimed to give cotton the easycare advantages of polyestercotton without the compensating disadvantage that appeared in

been further eroded by the to volume markets such as steep decline in the value of shirts and aheets in order to susthe dollar. Though a new and tain its position as a major more realistic levy system has fibre, but another argument

In the UK, for example, cot-

tions with stores and similor market is in the higher price reductions have been made in most other West European achieves its biggest market markets. The hope is that the pro- lower price ranges. The argu-gramme can be resumed next ment being advanced to mills year to give cotton a voice therefore is that if they wish to make a premium product offering a higher return and less vulnerable to imports competi-tion they should choose cotton.

There are clearly other factors -apart from public taste and the impetus which can be given hy marketing—which will detern their choice of garments. mine the level of cotton usage. At present because of the very

have risen sharply and this could result in mills switching back to cotton or increasing the cotton proportion in blends... Any wide variation between

the price of the two fibres is likely to be temporary, how-ever, and the industry plainly cannot hope to base its strategy on the hope that it will he able to maintain a significant price advantage over the synthetic fibres. Cotton has achieved a lot with the fair wind of the past 10 years behind it. maintain its position it will have to show that it can match the sophistication which rival fibres will increasingly be applying in the hattle to influence mills in their selection of raw materials-and customers .

Rhys David



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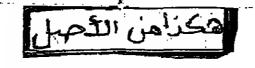
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#### COTTON III

## Easy-care qualities on the way

more than 1m easy-care cottoo customers demand. shirts will bave been sold to American meo by two of the has heen in the development of 1978. leading U.S. shirt makers, and new stystems for applying Oth hy spring next year production chemical treatments to fabrics, chemical treatments to fabrics. hy spring next year production chemical treatments to fabrics, of a similar shirt is expected including easy-care resins. One to be undertaken in Britain. major problem has heen that The sbirts are the culmination chemicals have tended to of a long pariod of research aimed at imparting suitable easy-care properties to cotton in the market place as the manu-facturers bope, cotton will ha able to claim finally to have overcome its most important commercial drawback.

Easy-care properties heve attained a dominant position in heets in tha U.S. and much of Europe, largely at the expense of 100 per cent cotton products. women at work and the demand less time evailable for ironing and have bence wanted products that require only minimal pressing after washing. Cotton shall baye for this reason all but disappeared in the U.S., and in the appeared in the U.S., and in the of new systems for applying finishes, one of the aarliest

cotton sheets as well—is the and after) weights of the cloth result of separate but comple-eutomatically control the speed mentery work that hes been of the roller and ensure the carried out in the laboratories correct take up of liquid. of textile companies and research organisations around the world including the Manchester - based Technical International Institute Cotton (IIC).

eesy-care properties—washing and finishing developments, without shrinking or excessive creasing. Its work was taken on its own gives desirable ex

now totals more than 100m sq metres a year—20 per cent of total U.S. denim production capacity. The advantage gained from treating denim in this way there is no interference with Inc. of Danville Virginie has

COTTON PRICES heve steyed

in a remarkably narrow range

during the past year, reflecting the reasoneble halance between supply and demand. But there have been some volatile price

movements in recent years thet bave caused concern both to

The cotton industry became accustomed to price stability over a long period when the market was dominated by the huge surplus stocks held by the U.S. Government as a result of

price support programmes for farmers. So when the U.S. Administration changed its policy and the surplus cotton stocks were releesed, the resultant volatility of prices came as

the cornerstone of trading in

the past bad on several occa-sions to be "renegotiated"

wben a buyer or seller found

that the market price bad changed dramatically in his

In the U.S. there was an npsurge of activity on the New

evitably there is a great deal

of speculative participation on

the New York futures market,

lt is much more closely linked with trade interests and serves

a very useful function in providing geouine facilities for bedg-ing against unpredictable price

But the New York futures

market tends to be dominaled by internal infinences, which at

times have e contrary impact to the rest of the world.

A rise in U.S. cotton exports

would, for example, be viewed bullishly in New York stoce

By the end of this year the fading process which recently added a Triatex MA The parallel work in Europe

> migrate to the surface when fabrics are being dried, embrit-tling fibres on the surfece and reducing subsequent ahrasion resistance during wear.
> As Dr. Frank Burkitt, director of IIC's cechnical research

department, points ont, however, their own work bad shown that with the use of less water migrabeen tha main reason why cot-ton-polyester blends baya more even distribution of resin achieved. Research in the products such as shirts and same direction had also been prompted by oil price rises which have greetly increased textile industry finishing costs. Not only have oil-hased chemicals become more expenfor more leisure bas meant thet sive; where they are applied hy most housewives now have far passing febric through a bath of liquor the cost of subsequently removing water has risen substantially, as too in many cases

being that of the Swiss company Various treatments aimed at Triatex. Developed in conjuncovercoming this problem beve tion with the IIC the Triatex heen tried hut they have tended MA (Minimum Application) tion with the IIC the Triatex to solve the easy-care problem system involves passing fabric at the axpense of weakening the over the top of a roller the fabric and reducing its wear bottom of which is immersed in hath of chemicals. A film The arrival in the shops of huilds up on the roller which is the latest generation of easy- then transferred to the cloth as care cotton shirts-possibly to it pesses over. Sensors which be followed soon by easy-care weigh the dry and wet (before

#### Breakthrough

About 28 Triatex MA systems Research Department of the have now been installed, mainly in Europe, but the breakthrough which the IIC has been boping The Norwegian textile devel-would occur, and which has now opment company. TEDECO, bad made the extension of easy-care become aware that the immer- into lighterweight fabrics such sioo of cotton fabrics in liquid as shirts and sheets possible, is ammonia resulted in Improved the linking-up of the ammonia

While the ammonia treatment on its own gives desirable extra by the Sanforized company in properties to heavy fabrics like the U.S., which bas com-mercialised the process under such as shirtings, where appear-the name Sanfor-Set and sold it ances particularly important, a number ol leading need chemical treetment if they are to match the wash-and-wear Altogether seven Sanfor-Set performance of cotton-polyester. ammonia plants have been built Furthermore. HC work bad chemicals in the U.S., mainly for process shown that pre-treatment with applied to cotton and in the way sing denim, and total capacity ammonia actually improved the take-up of easy-care chemicals

in fabrics.
As it happens the first Sanforls greatly improved appearance after washing. The garment by the commission nrinters taken the opportunity to remerges from washing machine martini, which since 1974 has direct part of its effort towards and tumble drier free of had Triatex MA processing. wrinkles; just as important, Similarly in the U.S. Dan River

Quest for price

stability

Effectively, therefore, world price trends are set in New York and producers, merchants and consumers outside the U.S.

on some occasions are unable

edequetely against violent price

For merchants and consumers

any change in prices can very often be passed on, but pro-ducers—particularly the poorer

One solution to this problem put forward by the United

Nations Conference on Trade

and Development (UNCTAD)

was to launch an integrated

on price stability

of their export earnings.

very different stances.

futures contract.

fluctuations.

quite a shock.

Suddenly forward contracts
at fixed prices that had been commodity supplying the bulk

York cotton futures market, measures between the leading which hed suffered a long dull importing and exporting coun-

machina alongside its ammonie always held e very strong posiprocessing range installed in

Other systems for adding chemicals to cotton fabrics involving greatly reduced water usage are also heing developed. Union Carbide, the chemical group, has linked with Gaston County in the U.S. to develop a foam system, and et the recent ITMA exhibition a number of spray systems were on show. All of these could help to spread the use of this potentially large new market. Quality requirements effective easy-care processes for for outerwear febrics are higher

cotton. Much will now depend on the knitting of cotton yarns is much success which the two U.S. shirtmakers, Arrow and Van Heusen, heve with easy-care shirts, and on the progress made by the British entrant, Double Two. Other shirt makers are likely to be watching very closely, however, and the IIC is confident other brands will feel ohliged to enter the market. Sheeting, another product which presents problems, is likely to be the other rapid growth area for ammonia processing and minimum add-on finishes. The Norwegian company Dale Fabrikker has heen ammonia treating sheets for some time, and successful trials have recently been beld in Japan.

The main obstacle to the spread of ammonla processing is likely to be high capital cost of the equipment-at more than \$1m the sort of sum which only the big American mills or major European commission finishers are likely to want to spend. Furthermore, most big mills in Europe, as in America, are now very heavily committed to the existing easy-care febric polyester-cottoo—and mey take some persuading to change. The IIC believes the consumer appeal of cotton will provide the motivetion, but that in any case the strong price advantage cotton now bas over oil-based raw materials such as polyester will provide a further incentive for greater use of cotton and bence for investment in cotton processing equipment.

The next steps, according to Dr. Burkitt, now lie with the machinery makers and their customers the mills. IIC's work in the field now consists mainly of experiments to see if the liquor used in applying chemicals can be reduced still further, with energy savings the main motivation. The IIC is also inpre-treatments such as scouring, bleaching and mercerising affect

pick-up.
With most of the necessary Set ammonia processing plant research work on ammonia pro-is now being commissioned in cessing and low add-on now cessing and low add-on now interest - cotton's place

with much success. An attempt studies have not revealed e sufficient degree of price instability to justify intervensome years ago to introduce cotton futures trading in London failed through lack of tion measures on an inter-national scale. The EEC took support and the same appears to be happening to the recently introduced Hong Kong cotton e somewhat similar, if more

To evoid a complete break-down, it was agreed to resume discussions next spring, but there is little likelihood of any agreement emerging even then.

There are increasing doubts, even among producers, as to whether a buffar stock for cottoo is even feasible and, in any evect, the right way to attempt to control market prices. Ao increasing body of opinion, especially among consumers, believes that it would be better to allow free market forces to operate nnhindered, but that some scheme of compensation for countries hard hit by any drop in export earnings should he worked out. This, it is argued, would be cheaper and more effective than ettempting programme for commodities to establish a costly buffer stock calling for international agree-

What may emerge from future negotiations is the creation of which hed suffered a long dull importing and exporting coun-period when prices were effectives. The main mechanism to which could be used as a fore-tively controlled. Although in- be used to control prices is a runner for an international buffer stock to buy up surplus price agreement.

> centrate on compiling statistics and information on supply/ demand trends, and perhaps coand improve prices by sustaining demand. Already a new organisation, called Cotton Development International, has

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#### **Yardstick**

The IIC as a result hes been engaged on e programme of research jointly with a major UK knitting bouse, out of which it is boped to define test pro-cedures for knitted fabrics which can be used hy knitters. finisher and retailers. This would mean for example that ln measuring shrinkege all parties would for the first time be using the same yardstick.

Though knitted cotton has

tion in underwear, particularly

men's nuderwear, it hes never been e major outerwear fabric.

result of the increased favour

in which cotton goods as a

whole bave been held hy con-

sumers, mora mills in Europe

have shown interest in develop-

For cotton there are a number

of problems involved in tapping

then for underwear, while the

more difficult than knitting men-made fibre yarns.

many variables involved—different fibre counts and lengths

and different machinery settings

-also mean that standerds ere hard to define, making life par-

ticularly difficult for finishers

who may receive fahric sup-posedly of the same quality

from a number of different

mills but which in fact varies

ing cotton outerwear ranges.

But while new markets such as knitted onterwear mey be opening up for cotton the industry bas been reminded recently of the need to devote renewed technical effort to solving one of its oldest problems-dust. In rotor spinning—the new system developed some 10 years ago and now responsible for possibly 10 per cent of output of spun yarn in OECD countries the collection of dust inside rotors bas been a problem for some time and possibly a fector in delaying full exploitation of the system.

An even more serious threat is posed by the very tight regulations on cotton dust levels which the Occupational Health and Safety Administration in the U.S. bas proposed for mills. The proposal, which is being challenged in the courts, would terested in whether the low reduce acceptable dust levels pick-up can be used for other from one millilitre per cubic

The IIC believes that there are machinery developments which will deal with the problem of rotor dust, and thet better filtration can reduce still further the escape of dust into the atmosphere. A number of new developments aimed at reducing

dust were on show at ITMA The pressure from the U.S. authorities bas already led some mills to look seriously et wet processing of raw cotton -- a system which escapes the rigorous dust tests—but this is likely to lead to increased costs. Insteed it is hoped some compromise can be reached with the U.S. authorities which will give mills a better chance of being able to meet new standards. Tha shift of cotton processing out of the U.S. to developing countries. This, however, is unlikely to find favour with American textile interests.

Rhys David

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supplies and sell in times of Initially the group would conshortage. Little progress bas been made, bowever, towards an international cotton agreement, with developing and ordinate marketing activities in developed countries adopting the manner currently performed ary different stances. hy the International Institute
At the last meeting beld in for Cotton, to boost cotton aales Geneva last month 16 developing countries, accounting for about 30 per ceot of world cotton trade, came out strongly in favour of an internetional

been formed.
This is of course a far cry agreement to reduce the instability of cotton prices. But on the other side the U.S., the from controlling cotton market prices. And should prices come under pressure again next year it would mean a reduction in domestic stocks. But for the cotton, said it was not conrest of the world the prospect of greater supplies would have a depressing effect on prices. Unfortunately, efforts to launch cotton futures markets on the other side the U.S., the world's higgest exporter of under pressure again next year cotton, said it was not considered that the case for international action to reduce price instability had been made. Its view was supported by Japan. Is a result of an economic might renew their bid for more positive action.

John Edwards

## Early Dow rally halted by prime rate rise

PREMIUM .

\$2.60 to 21—241% (262%) Effective \$2.1130 11% (42%) AN INCREASE in the prime rate cut short 6 technical raily and left stocks lower in active trading by mid-session.

Morean Guaranty Trust raised its prime rate to 15 per cent from 141 per cent and was followed by several major banks. Also, Mellon Bank raised its broker lean rate to 16‡ per cent after raising it to 15‡ on Friday. The Dow Jones Industrial Average lost three points and declines led advances eight to

five on turnever of 17m shares. Continuing the firmer tone of Monday night, velume leader IBM picked up 1 to \$623. Second place Chrysler dropped 1 to \$7. Analysts said every increase in interest rates makes the financial of Chryeler more

Gulf Oil reported 8 near deublieg of its September ousrter net and less 3 to \$313.

Atlantic Richfield, which reperted loproved profits on Menday, dipped 2 to \$72? and active Exxon lest 12 to \$55.

Closing prices and market reports were not available for this edition.

**NEW YORK** 

Alcoa ...... Amai. Sugar .....

Am. Standard .... 47

211s 215s 3912 401q 203s 905s 23 955s 2414 241g 4612 4112 2611 26 303s 303s 77s 814 2512 262s 3515 364s 3515 364s

Auto-Oata Prg....

Corter Hawley.... 1918 Catsrpillar ..... 6014 Ccianosa Corp.... 4670 Contex....... 2633 Central & SW ..... 1338

Colgete Palm..... Collins Aikman... Coll Inds..... Columbia Gas....

Am. Stores..... Am. Tel. & Tel. ...

Surging oil company profits are Real Estate and Construction reaction aft focusing attention on windfall issues continued to reflect higher easier tone.

mortgage and interest rates. Mechanical engineerings and Trizee Corporation fell S3 to S18.

S191. It signed a final merger agreement by which Imperial Group of London will pay \$28 a share cash for H6ward Johnson's steck. The deal is still gubier to renert higher easier tone. Mechanical engineerings and Trizee Corporation fell S3 to S18. Chemicals firmed, banks, insuragreement by which Imperial Development "A" \$71 to \$101.

Domy Mines, which raised its investments for the market's easier tone.

Mechanical engineerings and therest rates. Mechanical engineerings and the market's easier tone.

Mechanical engineerings and therest rates. Mechanical engineerings and the market's easier tone.

Mechanical engineerings and only the market's easier tone.

Mechanical engineerings and the market's easier tone. te various regulatory approvals including those involving liquor laws in some U.S. states.

AMERICAN STOCK EXCHANGE pricee fell in active trading. The index lost 0.80 to show 197.74 on a turnsver of 2.29m shares. Crystal Oil lost 1 te \$20%. 1t withdrew 8 \$25m debt offering because of an onfavourable bond

#### Canada

Fractionally higher in fairly sctive trading, the Composite Index, which opened five points higher, wes 0.1 points up at 1,537.4. Nine ef 14 indices advanced and gains narrowly led

Most Oil and Gas shares were unchanged er mederstely higher. Hndson's Bay Oil rose \$1 to \$79. Guif Canada St te S87, Number Oil St to S35! and Husky Oil St to \$67. Canadian Homesterd added \$1 to \$20 and BP Canada

Oct. Oct. 22 19

5\s 26<sup>3</sup>4 41\2

66 6014 4014 4014 36 3634 3714 6714 1712 1818

Cooper Inds...

Coors Adelph Copelan0 ....

Copelan0 1936
Copperweld 1758
Domping Glass 5614
Corroon Slack 2618
Cox Broadcast'g 62
Crans 31.8
Crocker Het 2814
Grown Cork 297;
Crown Zell 3718
Cummins Eng 30
Curtiss-Wright 1312
Damon 514

6 entsply Inti ... 1718 | 1852 |
Inetroit Edison ... 1314 | 1358 |
Diamend Inti ... 3539 | 3514 |
Iniamond Shemk | 24 | 2412 |
Gillers ... 24 | 2412 |
Dillingham ... 11 | 115 |
Dillingham ... 11 | 116 |
Dillingham ... 1714 | 1814 |
Ilisney (Walth ... 5973 | 5713 |
Dome Mines ... 3245 | 4054 |
Dower Corp ... 6654 | 6712 |
Dow Ghemleal ... 2612 | 2634 |
Ilravo ... 2613 | 2634 |
Ilravo ... 2613 | 2634 |
Ilravo ... 2614 | 3634 |
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Hanna Mining. ... 36 Harcourt Brace. 1934 Harris Hosper ... 29 Harris Bancp. ... 24 Harris Dorp ... 29 Hecla Mining ... 161s Henz Hills ... 371

Volume at noon rose to 3,387,976 shares from 3,197,981

#### on Monday. Germany

weaker, after average turnover, Although Banks opened An strongly they eased during the centim morning to close slightly up on Mondey, led DM 1 bigber by Deutsebe, while Engieeerings mostly fell sharply, led down DM 3.80 by Ltnde, and in Steres Horten shed DM 3.50 and Karstadt DM 3.

Chemicals essed up to DM 1.30, to Autos BMW lost DM 2.50 and Daimler DM 2, while elsewhere AEG eased DM 0.50, VEBA was unchanged and Preussag fell

Oct. 22

Stock

Humane ...... Hunt rPhilip Al ... Husky Oil...... Hutton (EF).....

K Mart. 2412 K Mart. 1214 Kaiser Alumin. 2412

Longs Brug Strs. Louisiana Land ... Louisiana Pag. ... Lowensteln ......

MacMillan Macy Mfcrs Hanover Mapco

| Mapeo | S1 tg | S1 tg | Mapeo | S2 tg | S3 tg | S3 tg | Marathen Off | 44 | 45 tg | Marine Mio | 17 tg | 12 tg | Marshall Field | 16 tg | 17 tg | Marshall Field | 16 tg | 17 tg | Marshall Field | 16 tg | 17 tg | Marshall Field | 16 tg | 17 tg | Marshall Field | 16 tg | 17 tg | Marshall Field | 16 tg | 17 tg | Marshall Field | 16 tg | 17 tg | Marshall Field | 16 tg | 17 tg | Marshall Field | 16 tg | 17 tg | Marshall Field | 16 tg | 17 tg | Masse | 23 tg | 24 tg | Massa Muti Corp. | 16 tg | 15 tg

Mesa Petroleum 6679 MGM 1572 Metrome0ie 6352 Mitton Bradley 2619 Minnesota MM 4239 Missouri Pao 4654 MeOil 4654

Hew England Et. Hew Eng. Tel.... NY State E & C... HY Times....

Share prices steaded in quiet closed at 444.27, np 0.04 rading on book squaring at the Many shares fell initially, nd of the monthly accounting extending Monday's fall and in trading on book squaring at the end of the monthly accounting period and on a technical

Stock

Pac. Tel & Tel 1912 125g
Palm Beach 105g 153g
Pan Am Air 623g
Pan Hand. Pipe 023g 623g
Parker Drilling 273g 2894
Parker Hanfn 281g 29
Peabody Inti 217g 213g
Penney JC 26 87
Pennwait 321g 33
Pennzoii 46 47
People's Gas 361g 361g

Pub. S. Indiane . | 234 

Questor .....

Revion.
Revnord.
Reynolds (R4).
Reynolds Mtls.
Righ-Merrell.
Rite Aid.
Roadway Exps.
Robins (AH).
Rochester Gas.
Rockwell intl.
Rohm & Hass.

Signode...
Simplicity Patt...
Singer ...
Skyline ...
Skyline ...
Smith Inti...
Smith Inti...
Sonesta Inti ...
Sony...
Sthn Col. Edison
Southern Co...
Sthn Hat. Res...
Sthn Hat. Res...
Sthn Pacific...
Sthn Pacific...
Sthn Railway
Southland
SW Bancshares
Sperry Corp ...
Sperry Corp ...
Sperry Corp ...
Square I ...
Squabb ...
Std Brands ...
Std Brands ...
Std Brands ...

Taxaco..... Texas Comm. Bk

10 29 1<sub>2</sub> 12 1<sub>4</sub> 78 5<sub>8</sub> 16 5<sub>8</sub> 18 1<sub>4</sub> 3 1 1<sub>2</sub> 3 5 5<sub>8</sub> 27 1<sub>3</sub> 48 1<sub>4</sub> 48 1<sub>4</sub> 29 1<sub>4</sub> 7 1<sub>8</sub> 29 1<sub>9</sub>

Republic Steel ... 251g | 251g

101<sub>2</sub> 831<sub>2</sub> 211<sub>4</sub> 215<sub>8</sub> 195<sub>8</sub> 9 156<sub>9</sub> 26 285<sub>8</sub> 137<sub>8</sub> 47<sub>8</sub> 977<sub>8</sub> 491<sub>9</sub> 311<sub>4</sub> 491<sub>9</sub> 311<sub>4</sub> 241<sub>8</sub> 341<sub>8</sub>

Mechanical engineerings and recovered sharply chemicals firmed, banks, insur-auces, electricais, metals and oils were steady, while properties, investments, foods and depart-

STE Française des Petroles BP rose FFr 4.6 to FFr 89.5 after ancouncing e return to prefit in the first-half, while Begin-Say SA firmed 90 centimes to 139 Most leading shares closed after showing a higher first-half

> An Printemps edged 30 centimes lower to 96.2 after announcing sharply reduced first-half net profit. apart from U.S. stocks which were steady.
>
> The second market closed lewer with volume 5m shares. Foreign shares eased generally

the first time in six days as interest revived in oils and trading houses towards the close.

The market average rose 29.40 to close at 6.371.13 with a volume of 230m shares. The Tekyo Stock Exchange Index

line with the decline on Wall

Torka 9 94
Total Pet. 1778 1858
Transe. 17 1758 1651
Transamerica. 1648 1651
Transco. 3958 2558
Trans Union 304 3814
Transway 2214 2212
Trans World 1578 17
Trevelers. 3538 36459
Tri Continental. 1712 1818

Warner Comms. 3612
Warner Swasey. 4836
Warner Swasey. 4836
Washington Post
Waste Mangt. 3312
Wels Mikts . 26
Wells Fargo. 8576
W. Point Peppl. 2712
Western Airflines. 889
Westn. Bancorp. 2814
Westingheuse . 2912
Westraco . 2912
Westraco . 2912
Weyarbaeuser. 2814

White Motor...... Whittaker.....

CANADA

Can Imp Bank....
Cdn Inds.....
Cdn Pacific
Odn Pacific Inv...
Cdn Tire....
Gherokee Res...
Ghieffain...
Dominee

| Con Pacific | 381/2 | 323/8 | 323/8 | Codn Pacific Inv. | 30 | 31 | 251/4 | Ghertker Res | 91/4 | 11 | 26 | 273/4 | 26 | 273/4 | 26 | 273/4 | 26 | 26 | 273/4 | 26 | 26 | 273/4 | 26 | 26 | 26 | 273/4 | 26 | 26 | 273/4 | 26 | 26 | 273/4 | 26 | 26 | 273/4 | 26 | 26 | 273/4 | 26 | 26 | 273/4 | 26 | 26 | 273/4 | 26 | 26 | 273/4 | 26 | 26 | 273/4 | 26 | 26 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 273/4 | 2

Scoptre Res...... 9eagram Bheil Can A..... Steol of Can A....

Stock

bouses and energy-related issues

ment stores were mixed and cars and constructions eased.

Nenryo Y90 to Y1,150 and Nenryo Y90 to Y1,150 an Mitsubishi Corp. Y20 to Y920. Steels, Heavy Electricals, expert-oriented issues and some expert-oriented issues and some Blus Chips, however, closed lewer on domestic political uncertainties, the unsettled foreign exchange market, and bigber oil prices. Nippon Steel fell Y2 to Y105, Hitachi Y4 to Y250, Sony Y60 to Y1,660. Pioneer Y80 to Y1,810, and Pione Y13 to Y555

#### Hong Kong

Ricoh Y13 te Y565.

Steck prices eased marginally Share prices closed higher for in lacklustre dealings with the he first time in six days as neerest revived in oils and points to 658.11. In the absence of any local facters to move prices operators leoked to Wall Street and Londen for any possible influences.

Operators are watching U.S. interest rates in particular as they feel any moves to alter rates will be significant for local rading. Dealers expected an nnevent-

ful week's trading after the holidsy weekend, though the lecal trade figures expected later this week may provide some impetus.

#### Australia

GERMANY +

Energy shares led price rises, dealers said. Thiess jumped AS1.79 to AS6.74 after CSR announced te the exchange it was in the market for 16.8 per cent of Thiess capital, worth about AS74m. Ceal stocks were bullish after

the CSR announcement and Coal and Allied surged 80 cents to AST,10, Oakhridge jumped 25 cents to AS2,33 and White Industries rese 20 cents. Elsewbere in energy stocks, Woodslde Petroleum finished off the day's bigb at AS1.70 after it

Price | for Oly, Yld

Geutscho Bank, 255.0xx+1 28,12 5.5
Grasdner Bank, 198.0+6.7;28,12 7.1
Dyckerhoffze't, 107 ... 18.5; 4.1
Cuteheffnung... 195 ... 3 18.75; 4.8
Hapag Uoyd... 86.5-0.2 2.38 5.4
Harpener... 163 ... 415.6 6.1
Hoechst... 127.2-1.3 18.76; 7.5
Hoesch ... 40.3 -0.6
Hoechst... 127.2-1.3 18.76; 7.5
Hoesch ... 40.3 -0.6
Hoechst... 126.3 -3.6 9.37; 3.7
Kail und Salz... 144.6-0.21; 33 6.3
Karstadt ... 256 ... 3 23.44; 4.5
Kaufhef ... 189 ... 3 25 3.5
Kaufhef ... 189 ... 3 25 3.5
KucknerDM,108 66.2 +1 ... 66.2
KHI ... 207.5-0.9 61.96; 6.3
Krupp INM 100 ... 76 ... 3 ... 25
Lo'Orau DM.100 1,450 ... 5 25 1.7
Lufthansa ... 34 ... 19.94 2.8
M.A.N ... 179.8-22 51.38 6.0

Price + or Div. YIO

140ad—1 | A38 | 5.4 |
209.0 | 9.4 | - - - |
22.6 | -0.2 | 18 | 7.9 |
161.6 | -1 | 2e.4 | 8.1 |
105.9 | -1 | 5 | 11.3 |
139 | -1 | 5 | 12.3 |
166.6 | -1 | 96.75 | 7.0 |
838.2 | 0.3 | 21.6 | 9.0 |
163.5 | 5.0 | 50.6 | 6.8 |
123.2 | -1 | 4 | 7.2 |
66 | -- | 80.20 | 0.7 |
74 | 80.20 | 0.7 |
244.8 | 9.5 | 33 | 4.7 |

10 2.9 +2 9: 3.2 +1 9 8.5 +1 9 4.0 26 3.1

AMSTERDAM

Heineken (F125) Hoog'ns (F1.90) Nurter O. | F1.100 K.L.M. (F1.100) mt. Mullor (F1.20) Nat. Nadins F110 Haddr'09k(F1.20) HedMi09k(F1.50) Oce | F1.20),......

Novalbuten Flato Slavenburg ..... Tokyo PaeHids\$ Unilever (Fl.20). Viking Res ...... Velker StynFl.\* West.Utr. Hypok

COPENHAGEN +

Brygerier. 273.6
For Papir. 118
Han0eisbank. 119.25
C.Nthn.H.(Kr90) 217 + 3
Nord Kabel. 169.0 - 1.75
Novo In0'stri's 2 213.0 + 6.2
Ollefabrik. 145
Privatbank. 186.5
Provinsbank. 132.25
Soph.Berensen. 349 + 1
Superfos. 128.0 + 0.5

Takeover target, BH South, rose 5 cents to A\$3.80, while CRA, 6 takeover suitor, rose 7 after the Kimberley Diamond announcement. Western Mining added 5 cents to A\$3.39

and North BH 15 cents on take-6ver whispers. Transport group Brambles rosc 2 cents 16 AS2.22, Piencer Con-crete 5 to AS1.70 and Ampol

#### Petroleum firmed 2 to A\$1.02. Johannesburg

Gold shares closed steady near the day's lews with some local demend partly offsetting London

Kloof fell 40 cents to 2,050 cents, Harmony 35 cents to 1,050 cents and Zandpan 10 cents to 720 cents after 715 earlier. Mining Financials moved off their lower levels with Angles casing 10 cents 10 1,030 after 1,020 cents and De Beers 3 cents 1e 907 ceois, while Genmin rose 25 cents 10 1,450 cents. Platinums were mostly un-changed, while industrials traded firmer in fairly active business.

#### Switzerland

Prices closed steady after a hesitant opening with renewed weakness in the active bond market initially giving rise to yield considerations. Banks were in the foreground with moderate advances on active turnover in all shares. Insurances were quietly mixed while in Financials Holderbank and Interpan fell and Elektro-watt eased but Italo-Suisse recovered Monday's loss. .

The market closed sharply lower after an active session, influenced by lower prices on Wall Street, signs of a further sharp increase in consumer prices and a worsening Italian halance of payments in September.

Assicurazioni Generali, Bastogi, Fist, Generali Immobiliare, Mont-edison, both Olivettis, both edison, both Olivettis, both Pirellis and SNIA Viscosa all announced toe hydrocarbons at fell sharply among weaker the Walcott No. 1 well were market leaders. Bonds also fell in moderate trading.

Oct. 23 Prices + or Olv. Yld

Source: Nikko Securities, Tekyo

BRUSSELS/LUXEMBOURG

Arbed 9,200
Bekkart "B" 2,000
C.S.R. Coment 1,129
Cockerill 360
EBES 2,140
Electro0el 6,550
Fabrique Nat. 3,500
O.S. Inno Bm 2,560
Gevaert 1,056
GBL (Brux U 1,7e0
Hoboken 2,616
Intercom 1,640
Kredietbank 8,800
La Royale Belge 6,550
Par Holding 8,190
Petrolina 5,570
Soo Gen Banque 3,026
Soc. Ilen. Belge 1,740
Sofina 8,500
Solvay 2,475
Traction Elect. 2,316
UOB 1,666
Un Min. (2/10) 7,756
Vielle Mintagnel 1,666
Vielle Mintagnel 1,666

SWITZERLAND 6

MILAN

+5

—В

+50 -2

+1 14 1.2 -1 12 1.1 -3 25 1.7 -1 18 1.5 -4 15 1.3 -4 18 2.4 18 1.2 +2 35 8.6 +e2 12 1.2 -5 15 1.6

16 0.6

Hartogen Energy
Hoeker
ICI Australia
Intor Copper
Jenninge Industries
Jenninge Industries
Jimberiana Minerals
Jonas (David)
Lennard Oil
MetaleExpleration
MetaleExpleration
Metramar Minerals
MIM Holdings
Myer Emperium
News
Nicholas International
Ni Broken H'Olngs (80c)
Qalchridge
Oil Search
Otter Expleration

Otter Expleration.

PARIS

laosita.

Tumover: Cr. 649.9m. Volume 250.2m. Source: Rie de Janeiro SE.

NOTES: 6 versees prices exclude \$ premium. Beigien dividends are stree withhelding tax.

\$ \( \text{pi M} \) 50 denom, unless otherwise stated. \$ Pto 500 denom, unless etherwise stated. \$ Ft 500 denom, unless etherwise stated. \$ Ft 500 denom, unless etherwise stated. \$ Ft 500 denom, unless etherwise stated. \$ Price at time of susponsien, \$ Ftorins. \$ 5 Schillings. \$ Coms. \$ d Dividend after pending rights and/er scrip issue. \$ Ptorins. \$ Francs. \$ g fores div. \$ \$ h Assumed dividend elter scrip and/er rights lesue. \$ After local taxes. \$ \$ 10x fres. \$ n Francs. including United div. \$ Nom. \$ 4 Shate split, \$ 6 iv. and yield exclude appecial payment. \$ Indicated div. \$ Unefficial trading. \$ Minerity holders enly. \$ Merger pending. \$ Asked. \$ 2 id. \$ \$ Traded. \$ 3 aller. \$ \$ Assumed. \$ x \times x \times \text{rights}, \$ x \times x \times \text{dividend}, \$ x \times x \times \text{rights}, \$ x \times x \times \text{rights}, \$ x \times x \times \times \text{rights}, \$ x \times x \times \text{rights}, \$ x \times \times \text{rights}, \$ x \times \t

TOKYO 9

#### Indices

NEW YORK-DOW JOHES 0et 13 High Low High Low Utilities ..... 99.59 101, 75 102.64 102.64 102.37 102.50 109.61

TreOing Vol 000's: 43,249 42,620 29,669 29,880 31,980 35,800

♦ 0 ay'e high 813.91 low 795.98 Oct. 22 Oct. 12 Ind. Oiv. ylaki 🖫

Oct. e | Year ago (apres 6.11 5.93 5.54 6.92 STAHEARD AND POORS

Sindust'is... 115,77 118.08 115.71 115.49 115.72 118.95 124.45 187.88 134.84 4.86 55.19 127.80 110.1757 (18.45 Oct. 17 Oct. 10 Oct. 3 4.92 3.30 : 6.20

7.30 8.13 9.36

H.Y.S.E. ALL CONMON Oct 19 Oct. 18 Oct. 1" Oct. Oct. Oct. Oct. High Low 66.90 57.62 58.96 58.e0 66.98 63.88 (21/8) (27/8)

M6 NTREAL net net Oct Oct -LOW

TORONTO Composito 1517.5/ 1597.5 1639.5 1629.4 1804.71 15:101

Holland (\$4) 71.5 72.5 25.9 71.3 (24 II G/6) Hong Kong 558.14 562.25 885.35 483.83 (n.i.) 85.27 89.27 93.56

(a) 444.27 444.25 465.74 435.1 Singapore(a) \$86.77 481.4 423.65 346.35

All Indices have bese values of All Indices have base values of 100 except HYSE All Common—50: 31andards and Poers—10 and Toranta—1,000, f Excluding bends, ‡ 400 Industriols, \$ 400 Industriols, 40 Unitities, 40 Finance end 20 Trensport, 1 Sydney All Gridinary, [] Beiglian SE 31/12/63, \*\*Copenhagen SE 1/1/73, †† Pane Bourse 1961, ‡‡ Commorzbank **STOCKHOLM** 

AUSTRALIA Aust 5 -Oct. 23 Price + or 6iv. Yi ACMIL 125 cents). +0.61 6 ... 5 40 +1 5 40 +2 6.5 53 +1 46.5 47 +1 6.25 61 11.95 -0.15 11.03 +0.05 10.28 12.05 10.76 10.76 

+0.08

+0.03

+8.04 +8.22 +0.21 +0.91

-0.06 -0.06 +9.05

0.01

1.63 -0.97 0, 14 9.00
2.90 -0.93 0,26 7.66
1.43 -0.95 0,104.00
2.86 +0.85 0,104.00
2.80 +0.85 0,104.00
2.80 +0.81 0,096.00
1.58 +0.91 0,096.00
3.60 +0.29 0,164.00
6.16 +6.65 0,525.00
6.19 +6.65 0,525.00

Oct. 23 Price + or Div. Yld Bergen Bank .... 105 -0.6 BOrraganrd .... 76.75 + 6.50 Greditbank .... 119.0 .... 119.0 .... 118 -0.3 Norsk HydroKr8 520 +13 StoreOrand .... 126 + t

**JOHANNESBURG** 

+0.05 +0.10

Financial Rand U.S.338} (Discount of 281%)

Asland ... ..... Banco Hisoano ...... 229 8. Santander (250) ... 229 

#### Walker considers herring probe

By Our Commodities Staff

MR. PETER WALKER, the British Agriculture Minister, is considering raising the question of i)legal fishing for North Sea herring by French vessels with the EEC Commission.

Herring fishing is hanned within EEC waters because of the reduction of stocks to dangerously low levels through previous overfishing.

But eye-witness reports indicate that significant quantities of herring, which must have been caught within EEC waters, were landed at Boulogne on

And the British Fishing Federation claims the northern French fleet bas been landing illegally-caught herring in large quantities for at least two

A Ministry of Agriculture spokesman said yesterday, bowever, that no firm action could he taken on the basis of Press

"We must be careful not to over-react," he said, but added that Mr. Walker was considering raising the matter with the EEC Commission and at the Common Market conncil meeting which begins in Luxembourg on Monday.

"We canont prove that the herring were not caught as a by-catch while fishing for other species, or that they were caught in EEC waters," the spokesmsn said.

The BFF said the Boulogne in the U.S. landings came as no surprise. We have been telling the ministry of illegal herring catches by French fishermen after which it may be further and of equally illegal imports reduced to about 6 per cent. form Denmark for some itme,' a spokesman said.

· He said some of the boats had landed 100 per cent berring catches while most had at least 30 per cent of herring in their with a permitted by-catch of

extra ammunition" for the coming fisheries talks and highlight the need for stricter enforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m annually to just under only a brief reaction on the marforcement of conservation | \$25m a incasures within the Com- tion fell from 15m to 11.5m

## **Exchange control removal** ends curbs on futures

BY JOHN EDWARDS, COMMODITIES EDITOR

THE REMOVAL of UK ex- the operation of the inter- tions over trading, will provide sequences for the London commodity markets. It opens the door for the introduction of a London gold futures market. It also effectivaly ends the pre-viously regulatory control of the futures markets by the Bank of England.

Gone are the special Exchange Control Schemes that have been used by the Bank of England to regulate London commodity trading ever since World War II. Trading in commodities was an ohvious loophole for UK citizens to get round the exchange control regulations, so the Bank of England set up an

elaborate structure to prevent his. To obtain the special concessions offered nuder the

change controls, announced by national futures market, traders the Chancellor of the Exchequer yesterday, has far-reaching converged to provide yesterday, has far-reaching contransactions to the Bank of

England.
These have been used by the Bank to maintain a careful tain its regulatory role, rather watch on all developments and than some other Government-establish self-regulation by the appointed organisation.

if any market failed to take note of the Bank's wishes then It was in danger o the special Exchange Control concessions heing withdrawn, effectively making it impossible for the market to continue operating. That power has now dis-

appeared.
But it is suggested that the hetween the Bank of England and the various commodity Exchange Control commodity associations, drawn up a few gold futu-schemes, which were vital to years ago to tighten up regula- possible.

Bank's traditional monitoring of the markets.

Certainly most commodity traders in London would prefer the Bank of England to main-

The Exchange earlier this The influence of the Bank month set up a special sub-has been based on the fact that committee of look at the possihility of gold futures trading in London. There is considerable irritation in London that so far the vast growth of interest in goldf utures trading has gone to the U.S. markets.

British citizens will, of course now he free to trade in the gold futures markets in New York and Chicago.

So there will be an extra incentive to launch the London

## Jamaican bauxite levy agreed

BY CANUTE JAMES IN KINGSTON

THE JAMAICAN Government and the five hauxite and alumina companies operating in the island have agreed on a new production levy. It is expected the island's production of bauxite ore and alumina will he increased from next year.

Although the Government has not disclosed the new levy rates, industry sources bave said the agreement is for a reduction of the tax from 7.5 per cent to 7 per cent of the average realised market price of aluminium ingot

It is understood that agreement bas been reached for this tax structure to run to 1983, reduced to about 6 per cent.

production levy was imposed by the Covernment four years ago after it failed to agree with the companies on increasing the state's " take " from the industry. The companies com-These figures compare plained that Jamaican bauxite and alumina were being made 5 per cent.

The BFF believes the latest revelation provide Britain with price of aluminium ingot. Although Jamaica's income from the industry moved from about

of Mining, has said the new agreement contains a pre-determined level of production which must be achieved before the new levy comes into effect. The level is understood to be

13m tonnes, or 85 per cent of rated capacity, per year. The companies operating in

Mr. Horace Clarke, Minister refineries). Alpart is jointly owned and operated by Kaiser, Revnolds and Anaconda. In Paris, Pechiney Ugine Kuhlmann, one of Europe's higgest producers of aluminium. yesterday denied it was having difficulty meeting its commitments and had declared force majeure on some shipments of the island are Kaiser, Reynolds the metal. A company spokes-(both mine and export hauxite man told Reuters there were no ore) Alcan, Alcoa and Alpart restrictions at all on Pechiney's (which operate bauxite aluminium shipments.

#### Aluminium at peak level

ALUMINIUM PRICES moved to nonneed by Asarco, down from peak levels on the London Metal 95 to 92 cents a lh and Noranda, Exchange yesterday in early down from 95 to 90 cents. trading. However the denial by Pecbiney of a force majeure aod an easing in the shortage of nearby supplies brought the cash price down by £12.5 to £862,5 a tonne, while the three months quotation gained £6.25 to £815.5

The easier trend in sterling ments of platinum group metals, lifted copper prices, with cash wirebars closing £7 up at £918.5 a tonoe, Reports that Zambia had been "invaded" brought

Renter reported from Washington that increased exports of non-ferrous metals by the Soviet Union in the years to 1985 were forecast in a study by a Joint Economic Committee. The Congressional study predicted there would be large extra ship-

copper sales.

#### Milk price increase 'too small'

هكذامن الأجل

By Our Commodities Staff THE NOVEMBER 1 increase in the wholesale price of milk, announced last week, is too small to cover the increase in farmers' production costs, the Milk Marketing Board claimed yesterday. As a result, dairy farmers incomes this year would still he con-siderably below last year's earnings in real terms, it said.

Urging that further assistance should come in the form of a devaluation of the "green pound," the Board added that "gravely concerned for the future.

A devaluation of this notional currency, used for translating European Com-munity farm produce prices into sterling, would boost prices for butter and skimmed milk powder and thus pro-duce more income from the market to be shared ameng farmers and possibly the distributive industry.

With mounting pressure on both producers' and distributers' margins there must be great concern about the future. We urge the minister to take full advantage of the scope for devaluing the green pound in order to get the price structure of our dairy industry on a sounder footing," the Board said.

#### Lower cocoa prices predicted By Our Commodities Staff

AN EXPECTED 50,000 tonnes cocoa surpius could push prices still lower inthe coming season. according to London merchants, Paterson, Simons and Ewart. West African crops in the 1979-80 season are likely to exceed 1978-79's by about 60,000 market report, poblished today. and with no major changes ex-perted in other producing countries; world production will probably be the second largest

on record. Consumption is unlikely to pick up more than marginally from the present disappointing levels, the report adds.
"Indeed," the first says, "a case could be made for arguing

aluminium and a resumption of that the current price (£1,433 a It noted that strong emphasis should be around £1,000 a tonne, was likely to be placed on plati- which is the inflation-adjusted ket. bad plentiful reserves and de-Further cuts in U.S. domestic velopment of minerals con-producer copper prices were an-tinues in the Norilsk region.

FRENCH AGRICULTURE

## Farmers losing their privileged position

an exercise of mere repetition of huge export subsidies.

of the farmers' claims by the

The sheepmeat sector it Government. Traditionally, so traditional and rigid in its France bas appeared as a country where the whole population of the borders would almost has been prepared to put for- certainly mean its immediate ward farmers' interests without collapse. A further important realising they were sometimes opposed to those of other social

groups within the nation. Although such e view of the situation might appear to bave heen confirmed not only by 150 years of French history, but by the most recent developments in such matters as sheepmeat and sugar, the apparent nnani-mity and determination of the actors in the French agri-food scene hides the growth of harsh controversy about key policy

The pattern of French agriculture has changed consider-ably. The agricultural labour 9 per cent of the total working population. Between 1968 and 1975 alone 1.2m farmers left the land. The remaining farms have become higger and more capital-intensive.

The farmers' unions have continuously asked the Govern-ment for more support, to enable French agriculture to compete with its European counterparts. The EEC has always been seen by French farmers as a larger protected market for their own products, rather than the first step towards free trade of agri-food

And they have put political pressure on the Government each time their interests bave been threatened either by more competitive. European producers, or by the internal mechanisms of the Commoo Agricultural Policy.
In spite of huge expenditure

of Community and Government money on agriculture, the per-formance of the agricultural sector oo both the national and the international markets bas not come up to expectations. Freoch producers control less than balf their bome fruit and vegetable market aod face, with difficulty, competition from Dutch, Italian or Spanish pro-

factory standards bave not been reached and the export of grain

FRENCH agricultural out of the Community is only "as regards taxation, a major policy is often seen abroad as made possible by the granting

> The sheepmeat sector itself is consequence of these policies causing high prices for agricultural products is that the French food processing industry is not competitive on foreign

In December 1977, President Giscard d'Estaing told Nor-mandy farmers that "agriculture is France's green oil." So far the results have not confirmed such description. that same year, the French trade balance of agri-food pro-

ducts showed a deficit.
At the beginning of 1978,
Pierre Méhaignerie, the Minister of Agriculture, set up seven working groups on the elaboratural law regulating the activity of the whole agri-food sector. This is known as the second Loi d'orientation."

The preparation of the pro-ect and its discussion by Parliament have shown, for the first time, a split between Government and farmer.

There have already heen some preliminary signs of the new line on agriculture taken by the Freoch Government. In Novemher, 1978, the tax concessions previously granted to Credit Agricole, the farmers' bank, were partly suppressed. A few months later, the official Information Bulletin the French Ministry of

reform has to be carried out, in order to define a regime more adapted to the particular attributes of the farm husiness, more favoursble to initiative and

competitiveness..."
This was a clear warning to the farmers that the forfaitaire regime which allows them to fix the amount of taxes they are going to pay was ending. There are already rumours in Government circles of a new law adjusting the taxation regume of agriculture to bring it in line with the one applying in the rest of the economy.

For obvious ressons, it is likely that the project will be put aside until the end of the

Presidential elections of 1981. Although traditional practice of French agricultural policy is being challenged it would be unrealistic to think It shows any change in the emphasis given to agriculture in the French economy. Awareness of the poor performance of French agriculture and its food industry on the world markets, and the desire to exploit their huge

notential, are at the root of the present debate. It seems doubtful whether the French Government will win Its battle in Brussels on the han clear that at the same time it is preparing to fight another struggle with its own farmers which could well make the development of such Com-

munity crises more unlikely.

Claude Rosenfeld is n research officer at the Centre for European Agricultural Studies, Wye Callege, University of London.

#### Thais offered EEC aid

Agriculture mentioned that

BANGKOK - The Europeao community will offer aid worth more than \$11m to Thailand to develop substitute crops for taploca, Thalerng Thamrongnavasavad. Under-Secretary for Agriculture sald.

Of the total, \$2.4m would be ocers. spent on rural development and in the case of cereals, satisment crops for tapioca.

#### World rubber surplus forecast

By Our Commodities Staff

WORLD CONSUMPTION natural rubber is expected to fall below production next year, according to the International Rubber Study Group. This year output and coosumption are expected to be about 3.85m tonnes but 1980 production is forecast to reach 3.98m tonnes and consumption of 3.9m

#### **BRITISH COMMODITY MARKETS**

BASE METALS

COPPER—Firmer on belience on the tondon Metal Exchange meinly reflect-ing the fall in sterling which lollowed ing the fall in sterling which lollowed the litting of exchange controls. Reports in Zambra sew jerward of lighting in Zembra asw ferward metal move shead to £330 in the premarkel, before prelit-taking gared the 
price to the mid-£320s in the rings. A 
lower-than-espected epening on Cemex 
caused a lurther reaction is £314 but 
a weakening pound and recovery en 
Comes prompted a rolly in the mirket 
with lerwerd metal finelly £925 on the 
lots Korb. Turnovert 17,225 tennes.

COPPER Official - Unofficial -2 2 2 a12-5 -- 17 a18-9 +7 922-5 -16.75 928-a +7 a15 -- 17 -- -- -- -- --\$03-\$ -16.5 811-5 +6 906-7 -17 813-5 +6 \$05 -18 --- 95-102

Amelgemeted Metel Treding regorted ther in the morning cash wirebors traded at £913, 12; three months £927, 26, 25, 24, 21, 22, 23. Cathedes: Cash 26, 25, 24, 21, 22, 23, Cathedes: Cash 1905; threa months £977. Kerb: Wrrebais. Threa menths £922, 21, 19, 18, 17, 16, 17, 18, 17, Afternoon: Wirebare: Three menths £924, 25, 27, 26, 25, 26, 25, 27, 28, 29, 30, 29, 28, 5. Kerb: Wirebers: Three menths £928, 25, 24, 25, 24, 23, 24, 23, 24, 23, 22, 21, 20,5, 21, 22, TIN—Berely changed on balence. Miles opening at £7,220 lorward metal all to £7,150 in the marning ringa effecting hadge selling. However, in

the sitemoon the price edged up to £7,180 on a weekening in sterling and then surged shead to end the late Kerb at £7,240 fellowing the fitting of exchange centrals which brught lurther greasure on storling. Turnover, 700 tonnes. am. Hor p.m. Hor

TIN	Official	1 -	Unofficial	
High Grad	· £	£	£	e
Cash	7250-70	85	7660-40	-5
6 months	7150-70	<b>—75</b>	7270-30	+25
Settlem't	7270	90	_	
Standard				
Cash	7250-7 <b>0</b>	<b>—\$5</b>	7830-40	<b>—</b> 5
3 months	7150-60	-76	7220-40	+ 66
Settlem't	7270	90	_	-
Straits E	185011	4-4-1	_	
NewYork	_	*****		
Moming	: Stande	ord:	Three mo	nthe

Moming: Standard: 1 large months (7,150, 7,140, 70, 65, 50, 40, 50, Kerb: Standard: Three menths (7,150, Atternoon: Standard: Ceeh (7,230; three menths (7,160, 80, 7,220, Kerb: Standard: Three menths (7,250, 40). LEAD—Lost ground in a quiet market after trade selling and leng liquidation had taken letward metal down from a gre-merket trading renge of £619-£623 to £608-£610. In the afternoon the greater attadiness of the cagpor market task prices up elightly and the close on the Kerb was £811. Turnover: 10,725 tonnos.

LEAD	a.m. Official	+ 0	p.m. Unoffic'i	1+0
Cash 6 months 5'ment U.S. Spot.	£ 624-5 615-4 626	£.5 -62.5 -5.5	£ \$23-5 610-4 •68-65	-7 -5.
Morning:	Cash	£623.	24, 25;	thre

LG. Index Limited 01-351 3466 29 Lamint Rhad, London SW10 OHS.

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CORAL INDEX: Close 457-462

INSURANCE BASE RATES

Property Growth 131%
† Vanhrugh Guaranteed 122%
† Address shown gader Insurance and Property Bond Table.

## STAMPS, COINS AND MEDALS

8th DECEMBER 1979

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## FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

months £670, 18, 15, 14. Kerb: Three months £670, 8, 9, 10. Attermont: Three months £612, 13, 12. Karb: Three months £614, 13, 12, 11, 10, 11. ZINC-Higher in reutine treding. Forward metal treded batween £320 and 2323 during the morning, but buying from one influential querter lifted the price in the strement to a close on the Kerb of £326.5. Turnover: 1,650

ZINC	a.m. Official	+ or	p.m. Unofficia	+01
Cash 3 months 5 ment Prim w'st	321-2 515	£ +1.5 +1 +1.5	685-6	£ +4 +8.6
Morning Kerb: Thr noon: The Kerb: Thre	ree month	E3	20, 19. A	After-
ALUMIN metal, wh in the m future aug	oming re	from	£812 to	E823

metal seeing back to clear the lets Kerb at 1811 owing to groff-taking. Tumover: 7,500 tonnes.

	Aluma'm	a.m. Official	+ 01	p.m. Unoffici'i	M
	Spot 3 months	270-90 816-4	£ +14 +14	855-70 815-6	-1 +8
5	Morning 17, 16, 19 Three me months & Kerb: Thr	ntha £809 812, 13,	14, Af 14, 1	13, 14. ternoon: 5, 17, 16	Ker Thr
-	NICKEL-	Slightly ding. Fe			

April-June Rnbber 68.6-69.25 around £2,785 and traded quietly in the moming. In the atternoon forward reated was offered down to £2,740 grier terms to the small investor. MICKEL a.m. + or p.m. + or

ı		OTTICIES		anoma i	ட
	5pot 5 months	2740-50 2765-75	_48 _45	2704-60 2770-90	+
	Afternoon	: Three : Ceah £ : 60. 70.	ment	ha £2,790	ont

SILVER

Silver was fixed 16.9p an sonce lawer far apot dailvery in the London bullian market yesterday at 795.20p. U.S. cant oquivalants of the fixing levels were: apot 1.701.6c, down 43.4c; three-month 1.746.8c, down 44.6c; six-month 1.774.9c, dewn 44.9c; and 12-month 1.854.2c, down 32.0c. The motal aponed at 780-805p (1.675-1.725c) and closed at 800-805p (1.700-1.750c).

SILVER Buillon + or LM.E. + or per fixing - p.m. - Unoffici'i Spot ...... 786.20p -15.8 814.80p +18.5 5 months 814.70p -16.4 834.0p +17 8 months 826.70p -19.4 - ...... 12months 853.70p -11.2 - ..... LME-Turnover 218 (113) lots of 10,000 cas. Meming: Three months 820, 16, 16, 18, 18, Karb: Three months 820, 18. Aitemoon: Three months 822, 52, 27, 28, 27, 30, 31, 32, 33, 34. Kerb: Three months 835, 32, 31, 30.

WOOL FUTURES

AYDNEY GREASY WOOL—Close (in ardar buyer, saller, buelness, saller). Micron contract: Oct. 430.0, 432.0, 43

NEW ZEALAND CROSSBREDS-Clos (in order buyer, seller only), Oct. 198.0, unqueted; Occ. 202.0, 212.0; Merch/May/July/Oct./Dec./Merch/May 204.0, 210.0.

COCOA

Initially a little standler the merket today traded within a 220 range and at the close was unchanged to Monday evening on the near posteons. There was slight gains on the ferwards, origins largely withdrawn, although some products traded, white bean trading again concentrated on the apot and affect evailability, raported Gill and Ouffus.

COCOA	Close	+ 07	Business Done
	1486-1458		
May	. 1432-1454 . 1458-1466 . 1476-1477	+ 10.5	1460-40
Sap	. 1457-1505	+ 18.5	~
	. 1620-1535 .1550-1676 532 (2,815)		10 mmes.
Internatio	nel Coco		genisation
Oct. 12: 13	dey average	). Indi	cator orice
	mga 143,45		

COFFEE Early trade and commission house selling proved atrong enough to prempt an assist tene on the opening call but mixed buying on a scale down basis eventually outweighed a commental tubborn resistance and a Di5 rally at midday brought levels back to unchanged from Monday's close. Woskness in currency filled the upward momentum in the afterneon and highe an the day were registered on the closing call before late grefitating parad geins alightly, raported Orexel Sumhom Lambert.

muß leken	nom Lamb	erL	
COFFEE ;	Close	+07	Busines
	per tonne	, –	Cone
ovember	1798-1800		1904-75
arch	1810-11 1775-74	+0.5 +0.8	1824-85 1786-65
My	1752-55		1755-35 1750-40
ovember-	1750.55	+ 25.0	
Asarchager	1123-40	172.0	_

Scies: 4,595 (10,742) lots of 5 tonnes. ICS Indicater prices for Octaber 22 (cents per pound): Other Mild Arabicas 211,59 (213,57). Robustas ICA 1975 182,00 (180,25). IGA 1968 182,25 (190,50). Comp. deily ICA 1968 202,08 (201,36).

**GRAINS** WHEAT Yesterd'ye for Yesterdye for Math close

Soot., \$8.85 ;—0.80; \$5.55 —0.45 Ausinese done—Wheat: Nov. \$5.20-\$4.70, Jan. \$9.65-99.20, Mar. 103.30-103.05, May 106.45-105.20, Sept. 99.20-\$9.20. Sales 450 lots of 100 tonnes. Barley: Nov. \$3.30-92.80, Jan. \$7.55-\$97.35, Mar. 101.05-100.75, May 104.05-103.85, Sapt. \$6.00-95.00. Sales 248 lots

BARLEY

103.85, Sapt. 96.00-96.00. Sales 248 fots of 100 tonnes.

MGCA—Locational ax-farm spot prices. Feed berley: S. East 81.20, S. West 82.00. N. Midlands 92.80. N. West 92.00. Other milling wheet: W. Midlands 98.40, N. West 97.00.

The UK Monatery Coefficient for the week beginning Mondey, October 28 is expected to remain unchanged.

IMPORTED—Wheat: CWRS No. 1, 13½ per cent unquoted. U.S. Dark Northern Spring No. 2, 14 per cent, Oct. 106.25, Nov. 106.25, Ose. 109.25, transhipment East Coast. U.S. Hard Winter 13½ per cent, Oct. 106.75, Nov. unquoted, Dec. 108.25, transhipment East Coast. ECC unquoted. Malte: U.S./French Nov. 114, Dac. 115.25, transhipment East Coast. S. Africon White unquoted. S. Africon White unquoted. S. Africon White unquoted. Oct. 106.00 occond half Nov. 98. Occ 99. East Coast. Sorgham: U.S./Angantina unquoted. Oats: Scandinovice Fred onquoted.

#### RUBBER

The London physical market epened alightly acceder. With good demend throughout the day, closing on a firm note. Lawia and Past reported 3 Millsysian godown price at 281 (278) cents a kg (buyer, Novamber).

No. 1 R.S.S.	Yesterd'ys Close	Provisus Close	2usiness Done
Nov		80.80-81.5	
	68.10-88.15	64,20 84.2	668.15-64.80
Jly-Sept	88.80 58.95 71.45-71.56 76.95-74.00	59.55-89.7	71.50-69.65
Jan-Mar	76.45-78.50 76.90-16.95	74.90-74.7	75.05
	81.16-61-26		

Sales: 493 (186) at 15 tonnes, 6 (24)

saies: 403 (160) at 15 tonnes, 6 (24) at 5 tonnes.

Physical closing prices (buyer) wera:
Spot 61.75p (60,00p): Nov. 64.75p (60,75p); Dec. 65.75p (64.75p). SOYABEAN MEAL The methet opened unchanged to alighdy atsadler on quiet trading conditions, taported T. G. Roddick. The afternoon assaion saw grices firm due to weeker sterling; closing prices showed gains of around E1-E1.50.

£ December - 118.10.79.4 + 1.40 110.58-17.70 February - 129.40-26.5 + 1.55 120.88-19.80 April - 121.56-21.7 + 0.85 121.00 June - 122.78-26.6 + 1.00 123.00 August - 122.38-25.0 + 0.70 Seles: 68 (65) lote of

LINDON DALLY PRICE (raw sugar): D161.00 (D149.00) a tonne cit for Dct.-Nov. shipments. White sugar delly price was D161.00 (D168.00).

Renewed selling pressure lound good support scale-down and by sarly afternoon orices were some 150 peints below kerb levels. Later, hewever, higher New York quotetions attimulated shart-covering and the market quickly recovered all the losses, reported C. Czemikow.

Sugar Pret. Yester Previous 2usiness Comm. day's Glose Dono Con. Close

COTTON

Commence of the Commence of th

LIVERPICE—Spot and shipment sales amounted to 110 tonnes bringing the total for the week so let to 122 tonnes. Slightly Irear demend traulted in additional contracts being placed but these were melnly small in weight. Follow an purchases took place in Middle Eastern styles with Russian and Turkish prodominating. JULE—Dot./Nov. c and I Dundee:
8WC 2214, 8WD £185, 8T2 £250, 8TC
2228, 8TD £189; c and f Antwerp Dot./
Nov.: 8WE 5371, 8WC \$482, aWD
\$417, 812 \$548, BTC \$510, BTO \$450.
Jute goods Oct. — c and I Oundee

#### PRICE CHANGES In tonnes unless otherwise stated

Motale Aluminium ----- £750/60 Free Mkt (esi §1740/1780 conut (Phin. \$910.0p -5 \$903.5 Groundnut ...... £386 Linseed Crude. £386 ........ £456 Paim Malayan. \$582.50°s ....... £5642.0 Grains Barley Futures £97.25 Malze ...... -0.20£9a.60 French NooAM £114.00g \_\_\_£110.26 

E12.97, 2 Twills £36.38.

\*\*

GRIMSBY FISH — auggly: Poor.
damand: 800d. Prices et ehlp's aide
(unprocessed) ger stone: Shell cod
£5.50-£6.50, codlings £3.30-£4.00, large
£4.20-£4.80. Madium heddock £3.80£4.60, amail £2.20-£2.60. Large pleics
£5.40. medium £5.00-£5.60, bast ameil
£4.00-£4.70. Skinned dogfish (large)
£10,00, (medium) £5.50. Lemon aoles
large £9.00. medium £7.20. Rockfish
£3.20-£3.50, 5sithe £2.70-£2.90. **MEAT/VEGETABLES** 

MEAT/VEUE/IABLES
SMITHFIELD—Pegce por petind, Beef:
Scettieh killed sides 50.0 to 65.0: Eire
hindquertere 58.0 to 72.0, terequerters
42.0 to 44.0. Veel: English fats 68.0 to
77.0: Outch hinde end ends 98.0 to
102.0. Lamb: English small 46.0 to
52.0, medium 46.0 to 50.0, heavy 42.0
to 44.0; Scottlah medium 46.0 to 50.0,
heavy 40.0 to 44.0; Imported frozen:
New Zeeland Pl. 51.0 to 52.0. Pork:
English, under 100 libe 44.0 to 50.0,
100-120 lib 40.0 to 48.0, 120-180 lib
39.0 to 48.0.
COVENT GARDEN—Prices in starting
per peckage ascept where otherwise

COVENT GARDEN—Prices in starting per peckage sacept where otherwise etated. Imported Produce: Oranges—Seuth Airican: Valanalae 4.00-5.30; Brazillen: 3.40-5.40. Satsumes—Spenieht: 115/189's 3.50-4.50. Lemons—Itefien: 100/150's 5.00: Cypros: 11 kg 105/120 5.00-5.50, 5 kg 45/65 2.50; Turkish: 100/120's 5.00-5.20. Grepofruit—Cyprus: 4.20-4.90; Jaffo: 4.90-5.90; Hondures: 4.90; Mesican: Pink 38/48'o 5.80-8.00. Apples—French: Golden Odicious, boxes 40 ib 138/175 3.40-4.80; 20 ib 1.00-2.20, jumble peck 31 ib 2.00-2.40, 0 ranny Smhh 20 ib 2.40-3.00; Hungarian: Sterking 43 ib 138's 5.80. Pears—Italian: Williemo per pound 0.17-0.18, 0 rapes—Itelian: Glack 2.20, Italie per pound 0.25; Sponish: Almoris 2.40-2.50, 3lock 2.60-2.80. Sansans—Jameican: Per 23 lb 4.00. Avocados—

## AMERICAN MARKETS

\*\*NEW YORK. October 23.

\*\*SOTN GOLD and ailver recovated from early distreased levels following the auspensien of exchange cantrols, including hold and trading gold bullien and colins, by Greet Sritain. That live stock tomplex inhished mised with the strangth concentrated in pork belies and wokness in crypta commercial selfing. Copper acted independently sitzed in crypta commercial selfing. Copper acted independently sitzed in commercial selfing. Copper acted independently sitzed in commercial selfing. Copper acted independently sitzed in active trade and commercial selfing. Copper acted independently sitzed in active trade and commercial selfing. Copper acted independently sitzed in active trade and commercial selfing. Copper acted independently sitzed in active trade and reacting to trade buying. Super closed inectionally lewer in active trade and commission houses inquisition and modersta new buying. Cotton was maderately lewer on local aciling and mixed trade participation. Cecos and Coffee continued lower and sich of intests and thin trading. Heinsled reported.

\*\*Capper—Oct. S8.50 (26.80). Nov. 88.70 (87.10). Doc. 68.50-89.90. Jen. 1800.0, Oct. 1,743.0-1,740.0, Feb. 1,785.0, April 1,850.0, Juna 1,840.0, Sp. 193.70. July 94.50. Sept. unquested.

\*\*Gold—Oct. 386.00 (390.10). Nov. 387.80 (391.80). Occ. 393.50. March 468.50, Juna 475.00. Aug. 433.50. Sept. unquested.

\*\*Gold—Oct. 386.00 (390.10). Nov. 180.00 (1745.0). Occ. (1735.0). Nov. 180.0 **AMERICAN MARKETS** 

Tin—754.00-765.00 asked (773.00). CHICAGD, Dethoer 23.

Lerd—Chicago loose 24.00 (same). 27.00 New York prime steam manyallable. 55 S Live Cattle—Dec. 68.22-68.35 (69.60-

**EUROPEAN MARKETS** 

\$1300, J.

\$231, Nov. \$235 treded, effoet \$231, Nov. \$235 treded, effoet \$231, Nov. \$235, Occ. \$239, Nov./March \$240, April/Sept. \$242, Nev. \$249, April/\$
\$251.50. \$242, Nev. \$249, April/\$
\$251.50. \$251.50. \$242, Nov. \$249, April/\$
\$251.50. \$251.50. \$251.50. \$251.50. \$251.50. \$251.50. \$251.50.

ROTTEROAM, Octabor 23.

Wheat—U.5. No. 2 Oalk Hard Winner wheat, 13.5 per cant, Oac. \$214, Jan. \$216, Fab. \$218, March \$220. U.5. Hard Winter wheat, erdinary, unquoied. U.5. No. 2 Rad Winter wheat erdinary, unquoied. U.5. \$205, Jan. \$220, Feb. \$208, March \$210. \$305. 75, July \$301.50, Aug. \$304.75, Jun. \$207. Feb. \$208, March \$210. \$310.50 saliar, Feb. and March \$14 per cant, Dct./Nev. \$209, Oac. \$215, Jan. \$222, Feb. \$226, March \$230. April/May \$210. Solial \$230. April/May \$210. Solial \$230. April/May \$210. March \$230. April/May \$210. March \$230. April/May \$210. March \$230. April/May \$210. Solial \$230. April/May \$230. April/May \$230. Solial \$230. April/May \$230. Solial \$230. Ap

25.15. 26.16-26.15, Jan. 26.10-26.15.

† Wheet — Dec. 447-446<sup>1</sup>; (454). Mereh 4637-464 (4704). Mey 4737-, July 4707-4697. Sept. 479. Dec. 493.

WINNIPEG. Dictober 23. Seerley—Oct. 117.20 (117.50). Oec. 115.70 (115.80). Mereh 115.50. Mey 115.50. July 115.40.

All cents cer peund ex-wereheuse unless otherwise attred. "\$ per troy ounce. I Cents per troy ounce. If Cents oer 56-1b bushe!. † Cents per fool bushe!. † Cents oer 56-1b bushe!. | \$ per abort ton .? 000 lbe). § \$Can. per metric ton. \$ \$ \$ oer 1,000 aq. lest. ‡ Cants per dezen.

PARI5, October 23.
Cocea—(FFr par 100 kg): Dec. 1,2801,300, Merch 1,270-1,275, Mey 1,2901,300, July 1,315, Sept. 1,325, Oac.
1,360, Selea et cell: 4.
SUGAR—(FFr per 100 kg): Oec. 1,5001,510, Merch 1,554-1,655, Mey 1,5851,586, July 1,590-1,510, Aug. 1,8101,614, Oct. 1,625-1,690, Nov. 1,6201,655, Oec. 1,645-1,680, Safes at cell: 50.

#### INDICES

Oct. 88 Oct. 19M nth ago Year ego 894.27 295.77 298.00 260.58 (Base: Jely 1 1952=100)

FINANCIAL TIMES

MOODY'S Oct. 22/Dot. 19 M'nth ago Your ago 1142.4 1154.0 1152.5 878.8

(Oscember 31, 1931-1001

Cenary: 5.00: Israeli: 3.80-4.00. Melona
—Sgenieh: Grzen 3.80-4.50. Yellew
5.00-5.20. Onions—Spenieh: 4.20-4.70;
Outch: 2.40: Pollah: 3.00. Tomatoes—
Outch: 2.10-2.20; Spenish: 1.00-2.50;
Jerest: 1.00-1.40. Cebbages—Dutch:
White, net 2.00. Pomegranatos—
Spanieh: Treys 2.80-3.40. Cucumbers—
Cenory: 10/12\*s 2.40-2.70. Dates—
Tunislen: 30\*s per box 0.36-0.42;
Californian: Per gound 0.30. Chestnuts—
Italien: 10 kg 4.30-6.00; Spenish: 5 kg 2.80-3.86; French: 10 kg 3.50-4.00.
Welnuts—Grenoble: Par pound 0.38;
Chinese: Per pound 0.7 30mm 0.40.
Pineappies—Ivory Coast: 12\*s 0\*s 0.41

DOW JONES

Dow Oct. Oct. Month Year Jones 28 18 ago ago 8pct ... 408.81.407.75.410.66.689.81 Fitur's 415.59.414.66.415.71.586.35 (Average 1924-25-26-t00)

REUTERS Oct .83 Oct. 82 M'nth ago Year ago

1954.5 1655.3 1636.1 1520.7

(Seser September 18, 1931-100) Per pound 0.40. Pecan Nuts— Per pound 0.70. Ahmonds—Per pound cemi-

Per pound 0.40. Pecan Nuts—Per pound 0.70. Ahmonds—Per pound eemisolt 0.50.

English Produce: Potatoes—Per bag 1.50-2.80. Lettuca—Per 12 reund 0.80 1.00. Cos 1.00. Mushrooms—Per pound 8 remiley 0.60-0.70. Apples—Per pound 8 remiley 0.60-0.70. Howgates 0.60-0.08. Worcecar Permain 0.08-0.07. Cox's Drange Pippin 0.04-0.12. Russets 0.60-0.08. Lambournes 0.06-0.07. Charles Ross 0.07-0.09. Oerby's 0.05. Pars—Per pound Conference 0.05-0.07. Comiles 0.08-0.10. Plums—Per gound 0.05-0.10. Wyddeles 0.07-0.08. Lambournes 0.05-0.07. Comiles 0.08-0.10. Wyddeles 0.07-0.08. Lambournes 0.08-0.10. Strawbarries—

## Domestic and overseas influences weigh on equities Exchange controls abolition has no immediate impact

Dealings tions Dealings Day remaining restrictions, apart from those on Rhodesians stocks. Oct. 22 Nov. 1 Nov. 2 Nnv. 12 Nnv. 3 Nnv. 15 Nov. 16 Nov. 26 "New time" dealings mmy take place from 9.30 am two business days

deteriorating fineocial position of British industry and the prospect of a worsening in the situation over the next 18 mooths made for dull conditioos in stock merkets yesterday. America's dearer money policy, which is expected to underpin our own high interest rates for some time, was also a major depressant on sentiment in equities and Gilt-edged securi-

Lower opeoing values for leading sbares failed to deter a certain amount of nervous selling from public bolders and professional operators. Business was bigbly selective bowever, much of it being coocentrated on the recently buoyant Oil sector where a teodency to take profits was particularly noticeable and became eveo more so in the

after hours' trade. Eogineeriogs were not too much troubled by the cost to Tube investments of the receotly settled industrial dispute because the effects bad mostly been discounted. Tubes regained 6 of Monday's fall of 14 to close at 2860, while GKN hardened 2 to 262p and Hawker Siddeley im-proved similarly to 168p.

fluch of the afternoon session was speot pondering on the around 50 per cent yesterday—ocssible cootents of the Chan-from 1,009 on Monday to 501.

38 16

Vol.

10 5

F.145 F.150 F.145 F.150 F.150 F.150 F.150 F.155 F.135

TOTAL VOLUME IH GONTRACTS
C= Call

A.B.N. Bank 14 %
Allied Irish Bk 14 %
Amro Bank 14 %
Amro Bank 14 %
Imprican Express Bk 14 %
A P Bank Ltd. 14 %
Henry Ansbacher 14 %
Associates Cap. Corp. 14 %
Banco de Bilbao 14 %
Pank of Credit & Cmce 14 %

Banco de Bilbao 14 %
Sonk of Credit & Cmce. 14 %
Sonk of Cynrus 14 %
Bank of N.S.W. 14 %
Banque Belge Ltd. 14 %

la Tamise S.A. . . . 144°,

Barclays Bank 14 % Bremar Holdings Ltd. 15 %

Prown Shipley ...... 14 % Canada Perm't Trust... 15 %

English Transcont. .... 14 %

Banque du Rhone et de

nec.

81:) 4

0.10

8.50 3

November

Option controls. The announcement \*First Declara- Last Account after the official close that were to he aholished from midnight vesterday found the market in uncertain mood and disinclined to make immediate judgments about the likely effects oo markets.

British Fueds remained seesttive to the interest rate structure. but higher opening prices for but higher opening prices for longer-dated issues provuked small recewed selling rather than the boped-for demand and early gains to a were gradually rescinded. Similarly, improvements runging to a mong the shorts were finally reduced to the smallest fraction. The smooncement of the ending of exchange control regulations led to a slightly firmer bias but the to a slightly firmer bias but the market turged easier almost simultaneously on reports of further U.S. Prime rate increases.

A leading dealer described the abolition of exchange controls as the eod of an era. Ahead of the Chaocellor's statement, the iovestmeet currency market bad again traded actively amid contioning speculation of an impending announcement and after the actual event became even more husy. Rates tended to fluctuate and were finally quoted nominally within a range of 23 10 26 per cent. Yesterday's SE conversion factor was 0.9638

The number of Traded Option contracts completed fell by

July

Vol.

88<sub>P</sub>

349p

349p

\$52p

Stock

F.340.80

F.58.20 F.223.50

F.26.70

\$6a3g

F.84.20

F.120.50 Fr.5570

22.60

F.154

F.1 85

F.28

- | 147p

11

37

30 36

Last

8.10

1.50

a.ao 1.10

36

7,50

Julian S. Hodge ...... 15 Hongkong & Shanghai 14 Industrial Bk. of Scot. 141

London Mercantile ... 14 Edward Manson & Co. 15 Midland Bank ...... 14

Samuel Montagu............ 14 % Morgan Grenfell ....... 14 % National Westminster 14 %

Keyser Ullmann

350 827

10

39

Vol.

LONDON TRADED OPTIONS

April

5 -92

11 25 40

2.50 1 45<sub>8</sub>

850 1.80 0.70

15.50 12.20 5.80

a,80 5.80 4 0.80

Fob.

March

BASE LENDING RATES

29

**EUROPEAN OPTIONS EXCHANGE** 

Dealings in Dutch newcomer Vitatron were brisk again and the shares rose 30 to 277p; on markings of 16, the shares were sgain the day's most active

market. Chris Moran rally

Nervously sold and down 6 the previous day to reaction to news that Lloyd's of London is instituting formal joternal statutory proceedings against managing director Mr. Christopher Moran which could lead to his expulsion from the market, Christopher Moran Group rallied 2 yesterday to 29p on the anonincement that the Group has offered to imple-ment strangements approved by Bardex, still reflecting favourable

4p premium, Among Contracting and Construction issues, SGB provided a firm spot, at 2789, up 8, but Bryant eased 2 to 70n, the latter on further coosideration of the annual results. Newarthill shed 4 to 210p and Marchwiel 2 to a 1879 low of 92p.

The late announcement of the abolition of exchange controls prompted further nervous selling of ICI which closed a net 5 down of ICI wolco closed a net 5 down at 347p, while the surprise proposed rights issue unsettled Laporte which fell 9 to 107p. Carless Capel, a good market of late on oil prospects, eased 2 to 63p on profitaking, but Thurgar



the Committee of Lloyd's for the continued normal conduct of the group's business over the period of the Lloyd's proceedings, and following the disclosure that London Trust has built up a near 6 per cent stake in the company. Elsewhere in Insurances, Royals relinquisbed 5 to 332p in dull Composites following details of the group's third-quarter new life

assurance hasiness figures. Seemingly pleased that hid discussions with Walter E. Heller International Corporation of the U.S. bave been terminated, Midland moved up to touch 354p before closing a net 3 better on balance at 350p. The other major clearers, however, drifted lower on lack of support. Barclays finished 7 off at 423p and Lloyds, 3000, and NatWest, 343p, down 2 aplece. The fall in the investapiece. The fart in the invest-ment currency prior to news of its abolishment from midnight last night, unsettled overseas issues, ANZ gave up 10 to 203n and Hong Kong and Shanghal cheapened 4 to 146p. Breweries tended a little

easier. Elsewbere, Highland at 100p, gave up the previous day's rise of 4 which followed the Interim figures, but Arthur Beil continued firmly awaiting Friday's preliminary figures and bardened 2 more to 196p.

contracted further. Occasional late offerings clipped a couple of pence from Blue Circle to 258p, while London Brick eased a penny to 70p following the interim announcement. Still depressed by the proposed rights issue announced on Monday, Ibstock Johnsen relinguished a

#### RISES AND FALLS YESTERDAY

		Down	Same
Aritish Funds	11	4	70
Corpns. Dom. and			
Foreign Bonds	2	17	46
Industrials	111	476	81D
Financial and Prop.	22	208	271
Oils	5	23	12
Plantations	1	18	11
Mines	7	106	31
Othera	4	98	46
Totals	163	948	1,306

#### **NEW HIGHS AND** LOWS FOR 1979

NEW HIGHS (17)

Arrow Chemicals (1) Comet Radio Serv. Mothe
FOODS 120
Barr IA. G.I. Pyto I Barr IA. G.I Pyke Hidgs.
INDUSTRIALS (1)
Greves Grood
MO TORS (2)
Outlan-Fors Onvis (Godfrey) Outlon-PROPERTY (1) Lazard Sterling Rés.

CCP North Sea Ultramar 7pc Conv.

OVERSEAS TRADERS (1)

Tozer Kemsley

Critral Pacific MINES (1) NEW LOWS (85) AMERICANS (18)
Continental IIIIn
Caterollin
Chase Manhattan
hrysler
Citicorp
City Inw.
Cong. Pref.
Coligate-Palmolive
Cong. Co

Ou. Cum. Pret.
Guigate-Palmolive Guigate-Palmoli Sankers H.Y.
Middand Bk. 103rpc Wells Forgo
1993-98 BUILDINGS 121 Ccaros Crothers Coales Brothers A thers Coales Biothers
FORES (4)
FORES (4)
FORES (4)
FORES (4)
LONG Strood
Sony
ENGINEERING (17)
Glynwed
Inlium Redman Heenaa
Simon Eng.
kast Staveley Inds.
minlium Utd, Wire
Vickors ENGINEE Vickers Walker (C. & W.) Welr Group

Delta Metal INDUSTRIALS (12)
Aerg Hoedles Fenner (J. H. Franklin Miet Franklin Miet Petroco Office Rhaby Petroco Embart Rank Org. Trans. Umon InSURANCE (2)
Commercial Union Travellers Members of the Accepting Houses English Transcont. 14 %
First Nat. Fin. Corp. 151 %
First Nat. Secs. Ltd. 155 %
Anlony Gross 14 %
Grevhound Gnaranty 14 %
Grindlays Bank 114 %
Guinness Mahon 14 %
Hambros Bank 14 %
Call deposits over £1,000 11½%. TEXTILES (3) Macking Corah
Early (C.1 Marriott USTS L41
Brit. Indl. & Geal. Authorit
Mont. Boston Wis. Massmar
RUBBERS (11

MINES (1)

weekend Press comment, put on 2 for a two-day gain of 5 to 201p.

#### Mothercare up again

Comment on the hetter than-expected interim results belped Mothercare rise 8 for a two-day sdvance of 26 to s 1979 peak of 194p. Other Store majors traded quietly dull with Marks and Spencer closing 3 down at 94p and Gussies "A" 4 lower at 374o. Elsewhere, the Board's cautious \$72m. remarks concerning second-balf prospects outweighed news of the near 67 per cent jump in first-half earnings so Bambers fell 10 to 120p. Home Charm continued to retreat, finishing a further 4 off at 1440 white further 4 off at 144p, while similar losses were seen in Empire, 176p, Fosier Bros., 102p. and Waring and Gillow, 1520. Alfred Preedy relinquished 6 to

GEC encountered further selling interim figures due early next ject of a bid approach, reacted and reacted to 3450 before pick-month, declined 5 to 13Sp, while 25 to 535p. Ultramar fell 18 to ing up to settle at 349p for a loss Reed International gave up 3 to 37Sp and Siebens (UK) 16 to

acciost

Unitech, 222p.

rallying 2 to 262p and Hawker a similar amount to 168p. Vickers, bowever, encountered fresh offering and gave up 3 more to 131p. Elsewhere, Ductile Steels provided one of the few hright spots at 98p, up 5, in response to better-than-expected results. In contrast, Jnoes and Shipman gave up 5 to 168p, while Vosper lost 10 to 190p in a restricted market. Swan Hnoter closed unaltered at Swan Hnoter closed unaltered at 4p: listing of the company's shares has been cancelled, but dealings are still permitted under special rules.
Foods followed the general trend with Associated Dalries shedding 7 to 2660 and J. Sainsbury giving uo a to 300n, Hillards beld at 185p, but Ames Hinton eased 2 to 82p; orices of both

4 to 233p. Elsewhere, specula-

tive demand pushed Dale Elec-tronie up 9 to 135p and Laurence Scott 6 to 73p. Still reflection toe annual results and proposed

one-for-one scrip issue, Pressac

firmed 2 more to 112p. Fidelity Radio closed unaltered at 810

contrast, scattered offerings left Farnell 4 cheaper at 2600, while

Tunes became a better market

at 286p, up 6, after the previous day's late setback of 14 on the company's estimated \$20m set

back in nre-tax profits due to the

losses were marked Muirhead, 266p, and

issues were in error in recent issues. Pyke attracted further speculative support and, in a thin market, improved 5 more to a 1979 peak of 75p. Recent hid favourite George Bassett shed 3 to 95p on profit-taking, Similar to sap on profit-taking similar falls were marked against Associated Biscuit, S7p, and United Biscuits, 80p, while Northern Foods eased a penny on 117p on confirmation of the acquisition of Blnebird Incorporated for approximately

#### Misc. leaders dull

Quietly dull conditions prevailed among the miscellaneous ampire, 1769, Fosier Bros., 1929, value among the miscensineous and Waring and Gillow, 1529, industrial leaders and closing fails ranged to 10p. Pilkington, 280p. and Unilever, 500p, both among the Electrical leaders, and Unilever, Beecham,

Sketchley unaltered at 212p, after 210p. Further profit-taking after last week's good rise on North Sea oil speculation left LC. Gas 7 down at 603p. Booker McConnell eiosed a like amount lower at

Amnna Leisure Issues, Barr and Wallace Arnold Trust A. at 127p, gave back 3 of the previous day's Press-inspired gain of 12. Small selling clipped 6 from speculative counter Management Agency and

small scrappy selling with T.C.
Harrison and Hanger Investments
easing 3 apiece to 70p and 64p
respectively. Manor National shed
1! to 24!p and Tate of Leeds 2 to recent engineering strike. Uther leading Engineerings also 101p. 1n Components, uterated a little firmer. GKN declined to a 1979 low of 224p and Duolop cased a penny to 56p. Fodens came on offer, at 31p. down 2.

A combination of the easier trend in Oil sbares and thoughts that the last-ditch Times settle-ment might prove costly to the company prompted a reaction of 34 to 365p in International Thomson and one of 28 to 368p in the preference shares. Elsewhere in the Paper/Printing sector, poster concerns L and P and Mills and Allen shed 5 apiece

to 300p and 292p respectively.
With the notable exception of
Bernard Sunley, which put on 15 more to a 1979 peak of 635p on Press suggestions of an offer from Eagle Star in the region of 680p, Properties passed an unlaspiring session and drifted lower on lack of interest and scrappy selling the latter of which accelerated during after-hours' dealings. Land Securities finished 6 cheaper at 292p and MEPC 4 off at 179p, while British Land shed 31 to 68 p and Great Portland Estate 4 to 212p. Late offerings clipped S from Haslemere to 28So and 5 from Hammerson A to 895p. Fairview Estates, a good market since the annual results, ran back 12 to 234p on profittaking, while Estates and Agency, successfully relaunched on Monday following an assets injection, reacted 7 to 128p.

#### Oils weaken

Oil shares were vulnerable to profit-taking, particularly in the late dealings when the tone turned distinctly dull. British Petrolenm weakened 20 to 385p and Shell 16 to 358p, Among the recent bigh-fliers in secondary issues, Barmah dipped 11 to 1869, while Oil Exploration, the sub-

Imps were fairly lively, recording 118 deals and 78 were transacted in GEC.

Dealings in Dutch newcomer

penny more to 70p; the new nil of 4. EMI ended witbout alteration at 145p, after easing slightly in tially, but Plessey shaded a penny to 125p and Racal gave up expectations left recently firm

Music to 148p.

Garage concerns turned dull on

#### FINANCIAL TIMES STOCK INDICES

_	25		19	18	17	16	- 380
Government Secs	70.21	70.23	70,68	71.30	71,65	71.07	59.62
Fixed Interest	71.01	71.36	71.68	71.95	72,00	71,76	71.54
industrial	462.0	466.7	439.8	470.1	472.5	478.5	495,6
Gold Mines	200.5	21 t.6	211.8	205.5	214,4	222.5	149,1
Gold Mines(Ex-\$ pm)	t98.2°	198.6	196.6	188.6	196.3	204.5	107
Ord. Div. Yletd	7.05	7.19	7,13	7.16	7,12	7.13	2.46
Earnings, Yld. " !fu0:	17.51	17.34				17,36	
D/E Ratio (net) t*)	7.04	7.11	7.16	7.10	7,13.	7.18	8.73
Total bargains							
Equity turnover £m						114.76	
Equity bargains total	<b>–</b> :	14,027	16,554	14,387	15,515	14,295	11,066
						***	

10 sm 464.5. 1t sm 463.1. Noon 463.4. 1 pm 462.9. 2 pm 462.7. 3 pm 462.4.

Sass 100 Govt Secs 15/10/26. Fixed Int. 1928. Industrial Ord.

SE Activity	July-Do		/33. ER-	a biomic		100 2016	1322
н	iGHS	AND	LOW	5	S.E. A	CTIVI	TY .
— <b>-</b> :	19	79	Sinco Co	mpilat'n	; ;	-	001
- ;	High	Low	High	Low	]	Oct, e3	Oct.
Govt. Secs.	75.91 (4,61	64.64 (5/21	127.4 (d: 1/38)	40.18 (5/1/75)	Gilt Edged	103.1 152.4	1010
Fixed int -	77.7a (5:51	66.03 (15.2)	150.4 (28/11/47)	50,53 (8,177)	Speculative		
Ind. Ord	658.6 (4/5)	446, 1 (12,2)	558.6 (4,5/70)	49.4 (26/6/40)	S -1 - 43 - 1 - 1	.	
Gold Mines	250.0 (2/10)	129.0 tif 4)	443.3 (72.5.75)	43.5 ,26/10/71L	5 d'y A'yr'0e Gilt Edged Industrials	100.1 140.0	107 157, 7 42, 11
Gold Mines	225.8	95.2	337.1 13.4.14	54.3 :25:8/76)	Speculative.		42 II

286p and Tricentrol 13 to 252p. A firm market abead of the results, Paterson Zochonis urdinary and a N/V both rose 7 to 200p and 195p respectively, following the hetter-thanexpected onnual profits and the £8.7m property revaluation. Reflecting the more-than-doubled increase in interim profits, Tozer

Kemsley and Millbourn gained 3 to 76p but Gill and Duffus lost 4 to 163p on nervous offerings ahead of tomorrow's half-timer. Hoffnung dipped 31 to 70p and Sime Darby ended a like amount down at 71p, the latter on investment currency influences. Trusts gave ground on a broad front, with overseas issues parti-

cularly dull following the exchange controls announcement, Robeco dipped 1; to £3S; and Rolinco a point to £33;, while U.S. Trust Fand fell 35 to 540p. Among Financials, R. P. Marin eased to 39p on the reduced dividend and profits before class ing 2 better on balance at 42p. Gains in the Shipping sector mainly resulted from speculative huying, with Furness Withy ad-vancing 12-to 256p and Milford Docks 13 to 210p, Revived bid hopes left Graig up 75 at 775p in an extremely thin market.

Textiles closed with a slightly easier blas after a rather subdued day's trading. Dawson eased 2 to 94p while Lister remained oversbadowed by the recent disappointing annual results and

eased a penny more to 54o. Plantation and South African issues gave ground largely on investment currency influences. Falls in both sectors ranged

#### Golds marked down

The Chancellor's statement that as from midnight last night all foreign exchange controls were to be lifted prompted widespread losses in mining markets as the investment dollar pre-

as the investment dollar pre-mium subsided.
South African Golds were addi-tionally weakened by the 38 fall-in the bullion price to 5335 ar-ounce. The Gold Mines inde-dropped 10.8 to 200.5 but the er-premium index, which disappears as from today, showed only a 21-less at 196.4.

Golds were marked down at the outset reflecting rumours of the exchange control relaxations Following the actual announce ment however, a beary two-way Irade developed and prices generally closed well above the day's lows in anticipation of a much higher level of London interest in the near future.

London Financials were affected by persistent smal sellers reflecting fears that over seas mining issues will attract a much greater share of UK interest. Charter, 170p, Gold Fields, 270p and Rio Tinto-Zine, 290p, all showed losses ranging from 7 to 10.

Anstralians, although depressed by the abolition of the premium, still provided features in Thiese Holdings and North Broken Hill. News that CSR is seeking to

purchase around 16 per cent of the Thiess equity saw Londoo dealers mark the latter up by 83 to 355p. Other eval producers performed well, including Oak-bridge which rose 10 to 134p, Broken Hill S to 160p.

#### **OPTIONS**

DEALING DATES Building descriptions closed a Oct. 15 Oct. 26 Jan. 23 Feb. 4 Share Information Service

For rate indications see end of and Town and City were deal

of First National Finance, Shell Transport, Burmah Oil Weeks Petroleum, EMI, John Ladbroke Warrants and LRC Brown, Shell Transport, Barker

and Dobson, Western Mining. First Last Last For James Neill, Lofs, Premier Con-Deal- Deal Declara Settle solldated. Lonrho, Kitchen ings ings tion ment Queen, Oil Exploration, Charterbouse Gronp, GEC, Hawker Feb. 18 Siddelev. Tubes and Gran Nov. 12 Nov. 23 Feb. 21 Mar. 3 Metropolitan. Land Securities in for the put, while doubl Money was given for the call options were arranged in EMI International.

#### **ACTIVE STOCKS**

			710,					
		omina-		Closing	Change	1979	1979	
	Stock		narks	price (p)	on day	high	low	
	Vitatron NV	F1.0.2	5 16	277	+30	235	2321	
	Sheli Transport	25p	10	358	-16	402	278	
1	GEC	25p	9	349	- 4	456	311	
	Tricentrol	25p	9	252	<b>−13</b>	266	148	
	Ultramar	25p	9	378	-18	396	197	
Į	BP	25p	8	386	-20	406	2201	
	Woodside	A50c	g	91	- 6	97	44	
	Burmah Oil	£1	÷	186	1i	197	82	
	Marks & Spencer		÷					
1		25p	<u> </u>	94	<b>– 3</b>	134	83	
	Racal Electronics	25p	7	233	- 4	276	168}	
	Rothschild Inv. Tst.	50p	7	259	<b>– 5</b>	278	195	
	Viking Resources	25p	7 -	150	<b>— 3</b>	153	<b>81</b>	
	Beecham	25p	6	138	5	189	130	
	1CI	£1	6	347	<b>– 5</b>	415	314	
ı	Midland Bank	£1	6	350	+ 3	455	340	

#### RECENT ISSUES

	EQUITIES										
lasuo	mount old Up	tost nuno. ato	1a	78	Stock	Duja to	1+01	our P	Poe d	3 - 9	
Price pt	₹2	450	High	Low		200 200 200 200 200 200 200 200 200 200	_	2 5	Få	<u> </u>	
** **5 \$! !F1.7.50	F.P.	10 <u>:</u> 10	105 202 12 285	78 180 01 <sub>2</sub>	Fogarty (E.) Defd Seltrust A. 5oc Stewart Haim Vitatron H.V.FI.0.28	82 155 01 <sub>2</sub>		 O.15	5.5 2	 .a 8.5	
	-				NTEREST :	_			3 Z.BJ 3	.0(11.0	
Price P	Am unt Paid up	Latest Renune Dato	<b>-</b>	78 Low	Sto	ck			Olosing Price £	+ or	

## .aicute# Affee

	-RIGHTS OFFERS												
ssue sing price sing price sing	Latest Renunc. Date	197 High		Stock	Dices prices								
154.50 Nii 44 Nii 93 F.P. 65 Nii 1M1.3 Nii 40 F.P. 153 Hii 75 A\$1.25 45 F.P.	7/11/30/11 2/10/16/11  28/9/26/10	6pm 1111 <sub>2</sub> 8pm 20pm 60 248pm 177 60	5pm 97½ 4pm 12pm 48 168pm 115	8H Proprietary. Francis Inds. Hepworth Ceramics. Ibstock Johnsen — 11Kulim Nolton. Peko-Wallsend. 2eltrust Z. Wace Group. Walter Duncan & Coodricke	7pm 105½ -¼ 5pm 12pm -5 48½ 306pm +8								

Ranunciation date usually last day for dealing free of stamp duty. b Figures based on prospectue estimate. g Assumed dividend and yiold, u Foreesst dividend: cover based on provious year's earnings. F Orbidend and yield based on prospectue or other official estimates for 1979. Q Gross. T Figures assumed. f Gover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Fence unless otherwise indicated. I Issued by conder. § Offered to holders of ordinary shares as a support of the shares of the shares of the state of the shares of the shares of the provisional or restricted the shares of the shares of the shares of 125p per unit of the shares of 125p per unit of the shares of 125p per unit.

#### FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

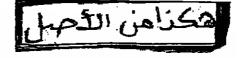
	EQUITY GROUPS	T	ues.,	Oct. 2	3, 19	79	Mon., Oct. 22	Fri. Oct. 19	Thurs. Oct. 18	Wed., Oct. 17	
Fig	& SUB-SECTIONS ures in parentheses show number of stocks per section	Index No.	Day's Change %	Est. Earnings Yield % IMax.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	index Na.	Index No.		index No.	
1	CAPITAL 600DS (172)	231.48	-0.6	18.55	6.42	6.87	232.79	234,8	3   235.89	237.56	1
2	Building Materials (27)	228.19	-1.0	17.59	6.10	7.35	230,40	231.1			
3	Contracting, Construction (28)	365.99	-0.1	25.70	6.64	4.84	366.47	368.1	1 370.18	372.65	1
4	Electricals (15)	585.95	-0.8	13.83	3.96	9.67	590.82	599.0	8 598.69	603.81	1
5	Engineering Contractors (12)		-0.2	22.64	7.65	5.51	317.00	319.4	2 320.25	322.05	ı.
6	Mechanical Engineering (74)	<b>156.22</b>	-0.3	21.03	8.02	5.95	156.76	158.4	2 160.81	160.39	
8	Metab and Metal Forming(16)	156,75	-0.1	20.49	9.60	5.98	156.96	157.6	1		ı
11	(DURABLE) (52)	226.03	-1.1	16.35	5.20	7.59	228.54	228.5			
12	Lt. Electronics, Radio, TV (15)	321.34	-12	12.61	3.88	10.17	325.15	324.3			
13 14	Household Goods (14)	139.54	-0.5	21.52	7.58	5.66	140.30	140.2			
14	Motors and Distributors 123)	107.47	-1.1	24.44	7.99	4.90	108.63	209.4	D   109.02	109.78	Į.
21	CONSUMER GOODS	227 05	-11	17.08				-			1.
22	(NON-DURABLE) (170)	231.05 289.35	-0.5	15.57	6.20 5.28	7.28	233.57 290.77	234.5 293.5	Z35.37		
23	Wines and Spirits (6)	320.24	-12	17.14	5.62	7.66 7.25	324.24	322.8			
24	Entertainment, Catering (17)	319.34	-0.9	15.54	5.80	8.39	322.31	323.5			
25	Food Manufacturing (18)	208.20	-16	19.03	6.52	6.52	271.66	2118			
26	Food Retailing (15)	304.96	-0.6	12.97	4.24	9.25	307.45	310.4			
32	Newspapers, Publishing (12)	427.17	-0.3	22.22	6.82	6,22	428.44	426.9			
33	Packaging and Paper (15)	127.45	-0.6	23.16	8.82	5.56	128.16	128.7			1
34	Stores (41)	222.66	-1.5	13.42	4.91	9.77	226.09	228.03		232 17	L
35	Stores (41) Textiles(23)	149.20	-1.5	24.75	10.62	5.09	151.46	1511		153.76	ľ
36	Tobaccos (3)	231,94	-0.2	24.58	9.59	4.59	232.43	232.45	234.54	236.60	1
37	Tous and Cames (6)	62.98	+0.8	26.48	11.29	4.83	62.46	63.49		63.62	1
41		201.58	-13	15.75	6.49	7.77	204.33	205.13	205.07	207.68	1
42	Chemicals (18)	281.27	-13	17.99.	6.93	6.48	284.96	287.60		289.95	ı
43		220.02	-2.2	11.95	5.54	19.17	224,99	226.47		232.34	1
44		115.67	-0.9	17.25	7.28	7.23	116.78	116.41		121.11	D
45		464.87	-05	11.41	6.80	11.18	467.42	466.35		462.64	L
46		240.88	-1.2	16.17	6.36	7.90	243.76	244.30		245.83	L
5		230.83	-1.0	17.67	625	7.30	233.21	234.35		236.98	1
		763.55	-4.6	14.80	6.30	7.30	800.25	795.50		742.39	T
59		273.00	-1,8	16.60	6.26	7.30	277.95	278.67		277.18	L
52		188.52	-0.8	/-	5.71		190.00	19L33		192.24	t
63		219.68 240.93	-0.B	37.63	5.83	3.39	221.36	223.26		221.25	1
64		270.75 177.80	-1.7	18.60	8.19 4.89		240.93	247.15		245.75	H
55	insurance (Life) (10)	156.11	-0.1	-io.00	6.74	6.89	180.85	180.32		180.32	ŀ
56 I		121.72	-0.1 -13	_	7.78	- !	156.24 123.33	158.85	161.41	162.09	
57	Insurance Brokers (10)	265.64	_1	18.79	7.76	7.61		123.85	124.34	124.71	
58 J		96.16	-0.8	20.77	6.09	7.01	265.59 96.97	270.05		273.11	ľ
59	Procerty(43)	357 77	-1.0	3.40	2.67	42.94	361.53	97,41 362,20		97.58	ŀ
70	Miscellaneous (10)	120.75	+0.3	15.73	7.43	8.27	120.38	120.92		366.82 120.78	H
7	Investment Trusts(110)	218 82	-0.9		5.49	427	212.84	214.14		215.34	Н
πI	Mining Finance (4)	174 77 1	_30	16.57	6.36	7.33	138.47	139.04			ľ
71	Overseas Traders (20)	341 57	-0.8	14.68	7.70	833	344.26	343.46		138.69 346.47	l
77 T	Overseas Traders (20)	249 37	-1.6		5.76				253,44		
-				- 1	0.20	_ ,	افددد	للاحا	1 00.44	1 63.30	

91		<u> </u>			-0.8	14.0	68	7.70	8.33	344.26	343.46	344.93	346.47	325.73
99	ALL-SHARE INDEX	(750)	7	249.37	-1.6		$\Box$	6.16		253.36	254.2	253.44		
_	FIXED INTEREST PRICE INDICES						FIXED INTEREST YIELDS British Govt. Av. Gross Red.					Tues, Oct. 23	Mon., Oct. 22.	Year ago (approx.)
	British Government	Tues., Oct. 23	Day's change %	nd ad today		79	1 2 3	Low Coupons	1	years 5 years 5 years		10.63 11.16 11.70	10.62 11.16 21.78	9.18 11:06 12:00
1 2	Under 5 years	104.16° 112.86	+8.04 +8.61	-	ſ	7.75	4 5 6	Medium Composs	15	years years years		12.81 12.81 12.81	12.50 · 12.50 12.50	12:30 12:30 12:30
3	Over 15 years	11737	+8.80	-	12	62	7 8 9	High Coupons	15	years		13.12 13.35	13.13 13.34	12.71 12.91
5	All stocks	110.88	+8.02	<u>                                     </u>	- 1	61	10	lrredeem		years		13.20	13.19	: 11.72
				Tues., C	Yield 2	MA OX		Friday Oct. 19	Thurs. Oct. 18	Wed, Oct. 17	Tuos Oct 15	. Oct	Friday Oct. 12	(approx)
15			` .	66.79	†13.07	68	.84	56,87	56,98	56,98	56,9	5 57,06	67.11	56.69
15	Investment Tru	st Prefs.	(15)	48.90	13.72	49	. 69	49.66	46,74	49.74	49.7	49,16	49.25	51.57

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17 Coml. and Indl. Prefs. (20) 66.71 13.42 67.60 67.60 67.63 67.65 67.66 67.88 67.79





Financial Times Wednesday October						41
AUTHORISED UNIT TRU Abbey that Tst. Magis. (a) Abbey that Tst. Magis. (a) Aphebory Control of the Control of th	Mgrs. 9 Mateu Mc Tst 73.9 78.24 7.60 F	Ridgerleid Management Ltd.  Furshay Sc. R22 APO  on 1589 5906  Property Starts.  on 1589 5906  U.F. Grib. Accurate to 1580 5906  U.K. Grib. Disc 1582.	190 422 1 255 100 Want Small	Unit Tst. Managers\(\psi\) E.C.2. 01-6289011554 99.0011540 and Gen. Secs.\(\psi\) (e)(y)	OFFSHORE & (	Keyser Ulicaron Ltd.
Apply Investe 22.4 33.9 519 Friends Prov. Units 49.7 38.3 -0.4 5.71 Do. Accum. 46.9 Apply Investe 72.4 22.3 -0.2 8.15 Friends Prov. Units 49.7 6.9	71.1 -0.4  4.79   National and Commercial	(9173-6) Asset Walnagescent (91 2-80, Carrhouse Rd., Aylestury. 029, 5941 J. Henry Schröde 4. D. Echiy, Fand 175.0 186.0d — 1.3 4.55 120, Cheanside, E.C. 9.C. Engy, Rev. Tet 128.1 126.2nd — 1.399 Capital Oct. 23 1.1 C. Lenger, Feed	r Wage & Co. Ltd. W(2) (c) 91-99, New Lands 2. 01-20 3434 (Accom. Links). 1315 1921 - 33 322 Wars. Expt. Sept. 1415 1921 - 33 322 Bestina for 18. 1844 2333 - 0.4 7.89 (Accom. Units).	87. Chelosoford. 0245-51651 	37, rue Noire-Dame, Listembourg. Alexander Fund	Fonselex 77 3-7 147 - 248 Bondselex 77 3-7 147 - 248 Bondselex 77 157 17 17 17 17 17 17 17 17 17 17 17 17 17
Abley Sen, Trest 17.1 4.753 -0.3 5.37 Public Trustee, Kingsway, Witz English Prog. Trest 17.14 75.3 -0.3 4.95 Capital Prog. Trest 27.14 75.3 -0.3 4.95 Capital Oct. 11 10.5 11 76.4 Capital Prog. Trest 27.14 75.3 -0.3 4.95 Capital Oct. 11 10.5 11 76.4 Capital Control Leaves 45, Lorokall, Lorokon Ecosy 3PR 01-62-6514 Capital Control Leaves 10.5 11 76.4 Capital Capital Control Leaves 10.5 11 76.4 Capital Control Leaves 10.5 11	289 - 9.43 9.63 9.67 (Accum Units) 1762 1828 136 N 9.67 Ozer Court control. 1762 1828 136 N 48 Gracechurch St., ECSP 3HR. 01-623 4200 R N.P.I. Gh. Units) 178 98 983-500 520 A (Accum Units) 178 98 983-500 520 A N.P.I. Gh. Units) 178 973-37 5	1.C. isref Fd. (Jan 176.9 18.8 — 205 issume Ort. 23	1231 1323 410 (Action Con 17)		1 Channg Cross, St. Heiler, Jay. C. I. 0534-75741 AHR Gift Edg. Ed. 12.04 12.06 12.15 Artsuffment Securities (C. I.) Limited P.O. Box 284, St. Heller, Jersey 128,0 128,0 17,81 Next dealing October 24, 13,86	1. Chaning Cross St. Hefter, Jessey. (0524) 17741 Valley Hee. St. Poter Port Gree. (0524) 27705 1 Tremas Street. Donald: 1 0.11 Gill Fund (Jercey) 12.5 Gill Tings (10.05) 10.24 Gill Find. Geertacryy 49 9.55 Just Gort. Secs. 7st. 10.617 First Intl. 10.25 First Intl
Affect 1st 1733 78.4 -0.6 6.12 G.T. U.S. & Gen. 172.0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1/197 = 4.07	Actini Co. 17 Fig. 1954 1968 Scottish Equital Reyal Tst. Can. Fd. Mgrs. Ltd. 1868 Scottish Equital Reyal Tst. Can. Fd. Mgrs. Ltd. 1869 Scottish Equital Reyal Tst. Can. Fd. Mgrs. Ltd. 1869 Scottish Equital Reyal Tst. Can. Fd. Mgrs. Ltd. 1869 Scottish Equital Reyal Tst. Can. Fd. Mgrs. Ltd. 1869 Scottish Equital Reyal Tst. 1869 Sco	le Ford. Mgrs. Ltd. 9 - Van. ity. Oct. 23 (Accum. Units)	101	Arbuthnot Stig. Fd. (101.1) 101.21	Kleinwort Benson Limites 20, Fenchurch St., EC3. 02-873 9770 Europest Limites 1-10 p. LFL 127 p. 1-10 p. 15
High Victor Fd	(0277) 227300 Growth lev 57.9 34.9 -0.3 2.3 15 15 15 15 15 15 15 15 15 15 15 15 15	Design Trace on Co. 13. Next design Oct. 31. Sebag Unit Tst. Serve & Presper Group P  Great St. Helens, Lordon EC3P 3EP  Design Tst. Lordon EC3P 3EP  Design Capital Fd	tay Websecky. (Accurs unex)  Managers Ltd. (a)  Mo. Accurs Unex Unex)  Managers Ltd. (b)  Mo. Accurs Unex)  Do. Accurs Unex)  Tyndall Managers  18. Carryone Road	ers Ltd.♥ Bridge 0272 32241	Bank of America International S.A.  35 Boulevard Royal, Librenbourg G.O.  Wildowst Income — [Bis185 109.11] J. 8.48  Prince at Oct. 18. Next sub. nay Oct. 24.  Banque Brazelles Lambert  2 Pop. Da. 15. Benance 2 1000 Betweek	00 Accomm 1
International Funds   125.1   26.9   -0.2   2.97   2.02   2.97   2.02   2.03   2.04   2.05	01-623-6114 Milton Court, Derforing, Sarray 7, Aug -0.4 532 kg 70,9 -0.2 376 Notatr High inc. 144.5 46.8 -0.4 8.01 c. 1338 -0.4 334 Notthgate Unit Trust Managers Ltd. \$\psi(e)(e)(y)\ ].	Security Selections 10:324 8899 or 031-225 7351 Security Selections stemational Funds 13:2 38.9 358 (Admin office) D14-11.0 (A	m Ltd. (Accorn, Units) (Accor	700 700 700 700 7	2, Roe De is Regence B 1000 Brissels Reots Fund [59.53 61.38]-0.27[ 8.51 Barbican Managers (Jersey) Ltd. P.O. Box 63, St. Helter; Jersey 0554 74806 Barc Lat. Fund [89.5 94.8] 5.00 Barclays Unicorn International	KB Japan First Stock (2 - 125 - 225 KB Steel Asser Fd 125 KB 36 15 - 225 15 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
Overteen Earnings 57.7 61.7 -0.5 155 ind Exempt Fd 77.7 4 Far Ears Exempt 143.8 45.61 -0.0 2.70 Elishe (America) 1.14.6 1.70 1.70 1.70 1.70 1.70 1.70 1.70 1.70	P.O. Box 4, Norwich, NRI 3MG. 6603 22200 M Group Tst. Fund. 1389.8 410.31 -2.51 5.25 M Mars. Ltd. (a) Pearl Trest Messagers Ltd. (a) (g)(2)	Sele lecarne Funds Hair Return	L Marragers Ltd.(2) (Acram. Units) rel. Oct. 18 Franci (Acram. Units) 1884 (Acram. Units) 1884 (Acram. Units)	1016 150.2 113.2 1016 150.2 113.2 1016 173.6 031.225 1168 119.4 128.4 1 5.30	Oresto State	Lloyds Trust Gill 19 26 5 5 5 5 1 12.0 Ness cealing date Orsson 14 1 2.0 Ness cealing date Orsson 14 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Side Every large to the state of the state o	01-589 411 Page 10 10 10 10 10 10 10 10 10 10 10 10 10	ector Funds	of Mart. Ltd. Do Accord.	627 3240 832 94 -03 775 822 94 -03 1182 122 348 -03 1182 101 205 -01 427	Do C-1- Co-170 177 E 70 M	M & G Group Three Quay, Tower Hill EC3 # 60.3. C1-60c 4555 Allamic Oct. 23(305-85 - 2-23-6-55)
1, Wolfe St., EC2V J.A. 10.6-25,6376, 1ccinology	772 -0.4 230 Pretting Gr. Growth 573 617 412 3 30.7 -0.5 230 Pretting Gr. Income. 512 545 725 Prettical leavest Ca. Ltd. (y)(c)	Igh-Hisiners Funds   1971 273 and   149 Target Tst. Mino clear income   1977 273 and   111 31, Greylan St., E Common Funds   1794 1894   718   1795   1797	75. Ltd.9 (a)(g) Special Sits	rts (y)	CANRIO** Oct. 1 12.007 11360 170 COUNT** Oct. 1 12.915 5.0011 170 Originally isseed at *\$10 and **£1. Next vol. Nov. 5. Bishopsgate Progressive—Ldn. Agents	Midiand Bank 15t Corp. (Gersey, Cto., 25-25, Hd St., St. Helier, Jersey, Cto., 25-25, Hd St., St. Helier, Jersey, Cto., 25-25, Hd St., 25-25,
(8)2% Workel, Uts.). (4)8 53.7 -6.4 9.75 Metri dealing Oct. 2 Preference Fund	32.6 Practical Oct 17 1585 1631 471 557 120 Accord Units 7 224.8 239.1 471 S Practical Life Inv. Co. Ltd. 9 22.8 858059845, SC2 03-247 6533 \$	criticis Secretics. Life. 40.6 4.6 5.7 5.7 5.7 5.7 5.7 5.7 5.7 5.7 5.7 5.7	221 347 -03 5.05 (b) Do. Accum. 221 343 -04 225 158 Somush. 228 279 -05 225 (b) Do. Accum.	640 742 15 135 141 643 144 145 141 643 144 145 141 643 144 145 142 743 144 145 142 743 144 145	BNAST Oc. 11. 107.0 116.15 18.15	Apollo Fd. Oct. 9   \$1355   \$2
10% Wellend (L) 55.8 67.3 57.8 58.9 H. Ye Oct 18 117.9 11 Fin APPOP Fit 96 211 0.9 5.44 Accord Units 200.9 57.6 57.6 57.5 57.5 57.5 57.5 57.5 57.5	Priofit Partfolio Mages. Ltd.   (2)(D)(2)	Ad.   South Street, Orking   (1936) 88441   Professoration C.C. 24.	rs. (Scatland) (2)(b) King William St. E	1252 35231 137.5 40.3  -0.3  6.28 1252 40.3  -0.3  6.28 1252 40.5  1251 1252 4951	Britannia Tst. Mingmt. (C. L.) L1d. 30 Bash St., St. Heiler, Jersey. 0534 73114 U.S. Dollar Denominated Fds. Univst. 5 Tst. SUSA. 59 Int. High left. 15t. SUSA. 59 Strellon Denominated Fds.	163, Hope St., Glisgiw, CE. Hope St. Fd. USS3 48 Maturay Fund 118 Mat. Westminster Jorsey Fd. Wars. Lind. 85 La Motte St. St. Heller, Juney 0554 35241 Habit Income Fund. 145,0 48 00] 1257 Egulty Fund 148,0 50 07 1 433
N. Jones, & Ira. Feft	1 Sektomie Tst. Inc 1218 41.5rd =0.51 5.9h P	44 Yeld 29 9 32 be -0 3 - 39/45 Firsbury Squa	253 77.9 -0.9 238 Wester Grith. Find. 442 47.8 -0.3 6.75 Do. Aczam. 58.1 62.8 -0.1 10.66 Wieler Growth	Fund CAR 9AR 01-623-4951	Jersey Energy 1st. 1173B 167.9 150 United 3 Tot. Stg. (2.249 2.66 100 High Int. Sig. Tes 0.91 0.94 12.80 Value at Oct. 19, Next dealing Oct. 29, Oct. 20, O	Negit S.A. Ida Boulevard Royal, Livembou 7 NAV Oct. 19
Archway Unit Tst. Mgs. 1:nl.() (2)(e) 317, High Holton, WCIV7ML 01-831 6233 Cabe Recovery 51.0 Archway Fund 92 101.3 587 Ceb. Sm. Cos. Div. 61.0 Prices at Oct. 18. Next sub. day Oct. 25. Ceb. Growth Inc. 66.7 77	INSURANC	E & PROPERTY FUN		nsions Limitedo 1N 2N H. 01-405 9222 E29-50 30-411 —	Brown Shipley Tst. Co. (Jersey) Ltd. P.O. Box 583, St. Heller, Jersey. 0534 74777 Stg. Bd. Fd. (a) 933 9.971-002 1280 Sterling Cap. Fd. 10.08 10.09	Bank of Bermuda Bligs., Harriton 7 AV Oct. 12
Unicorn America   15.6   33.6   1.7   2.14   High leasure Funds   1.5	73 - 0.3 8.07 Sunty Fund	densy rel. Incm. 1951 1177 Accel Builder 1177 Accel Builder 1177 Accel Builder 1177 1177 1177 1177 1177 1177 1177 11	nr, WC28 6NF. D1-404 6393 - 47.8 50.3    Reflance Murb Tunbridge Wells, Red, Prop. Bds	zal Keol. 0892 22271	P.O. Sox 195, Hamilton, Bernucta. Buttress Equity	PD Box 77. St. Peter Port. Guero. 0451 25741. Inter-Dellin Fund. (\$92.14 6.7 6.7 6.7 6.7 6.7 6.7 6.7 6.7 6.7 6.7
Do. Financial   74.2   79.7   0.57   0.6   76.4   76.5   79.5   0.5   0.0   0.0   6.0   0.0	See 330 Court Fd. Ser. 4 131 9 143 6 150 150 150 150 150 150 150 150 150 150	toth Prop Oct 2 IM 95 2	rked Assur, Ltd. Royal Insuran	ce Group herpool. 051-227 4422 	Capital lot. Fued	PO Box 121, St Peter Part, Guerrary 0451 257-559 Sterling Bond Fd. 1937 507 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	Pension Managed 20 4 402 A Pension Security 402 Pension Security 7 1 402 Pension Equity 7 20 Pension Security 7 20 Pen	nterstem Acad, High Wycombe. 0494 33377 Pepost Guity Fd. 130.0 137.4 0.9 Milaed Traperty Fd. 130.0 130.4 +0.8 The London & Sized Interest F. 117.0 123.1 -0.3 Winsized Park, Exet Int. Deposit Fd. 100.0 113.4 +0.2 Cap. Growth Fund. Histof Fd. 107.6 1332 -0.1 deposit Fd. 107.6 1332 -0	Manchester Ass. Gp. 9 Gif Fd. St. Sp. 9 Gif Fd. St. Sp. 9 Govern Feb. Sp. 9 Govern F	ueta, ECSP 3EP, 01-5548999	Emperor Fund. 54.55 470 165 (Hispano 54.265 44.80 165 (Hispano 54.265 44.80 165 (Hispano 64.86) Ltd. P. O. Box 86, St. Peter Port, Guernagy, 0481 26521	Duest Found Magmant. (Jersey) 1.75.  Ones 194, St. Medier. Jersey  Duest 194, St. Medier. Jersey  Duest 194, St. Medier. Jersey  Duest 194, Sers
Stration Trist	17 (a) 428 8011	puity & Law (Managed Funds) Ltd. Exercit Prips Fd.  Minersham Road, High Wycombe. 0494 33377 Deficit. Prips Fd.  M. Pen. Epity	Gitt Peris. Ful.	Weeldy Dealings. Group	Cline Gill Fd. Clay 3 - F10.19 10.24 - 11.72	Richmond Life Ass. Ltd. B, Athol Street, Douclas 1.0.th. 17 The Silver Trust 1.795.7 322.7 -6.0 D Damond Bd. 1125.1 125.1 125.1 125.1 D Douclas Incomeded 1.125.1 125.1 125.1 125.1 D Damond Bd. 125.1 125.1 125.1 125.1
6 gate Pr. "Oct. 16. 1298		ACT CAN AND ADD TE ALL THE PARTY OF THE PART	HILL EC3R 6BO. (II.626 4588. Hard 1st		DWS Deutsche Ges. F. Wertpaplersp Gruneborgweg 113, 6000 Frankfurt Investa	Rothschild Asset Caragement (C.1)  10. Box 59, St. Julians Ct. Gerntyn, 0491 26331  10. America Fd. 1951.0 152 115  10. Commodity 122 1732 6.19  10. Dommodity 122 1732 6.19  10. Dr. Commodity 122 1732 0.15  10. Dr. Commodity 122 1732 0.15
nternal, inc. 1 15.8 16.9r 456 Key Furni Managers Ltd. (a Do. Acc. 1 18.3 19.6 25, Min St., EC2V &JE.	13 -14 150 AMEV More 122 1324   64 1403 600 AMEV More 14 1141 1249   64 1141 1249	leneral Portfolio Life Ins. C. Link   O Bartholomes Ct., Waltham Cress, WX31971  ortfolio Fd. Arc.  1529  ortfolio Fd. Ini.  ortfolio Managed 441  folio Fed Ini.  Japan Fd. Bond***  Japan Fd. Bond***	K. & S. Goyl. Setts. Income Distrito. Income Distrito. Income Accura. B. S. Pen. Cap. Mond. Pen. Cap. Mond. Pen. Cap. Mond. Pen. Cap.		Dett. tm, Oct. 16	Prices on Oct. 12. Next decliary Oct. 31.  1 Prices on Oct. 22. Next decliary Nov. 7.  1 Planty declings. Production Size 7.  1 Planty declings. Production Size 7.  1 Planty declines. Prices 1.  1 Plant Asset Met. (Sermutia)  2 Plant Asset Fd (3USSE) 10.05  1 Prices on Oct. 15. Next decling 5:1. 23.
Britannia Trust Management (a)(g) Key Equity & Gen. 70.4 3 London Wall Buildings, London Wall 4 Steemer First 571.221 271. 70.1.201.221 71.	39 - 0.4 10.33 Flexibled - 100.00 11.7 - 2 10.00 11	resistant Life Ats. Soc. Ltd.  Prince of Wates Rd. B'mouth.  Leash Fund. 1055 1111.1 — Prince	10 10 10 10 10 10 10 10 10 10 10 10 10 1		NAV Oct. 5   5051944 20.89	Prices on Oct. 15. Next decling Cell. 23. Royal Trust (C.1.) Fid. Block Cell. D. Box 194, Royal 15. Next Jersey. 05.34 27.341 C.1. Int'l. Fid. 1505.9.29 \$551-254 2.04 C.1. Int'l. Joseph Fid. 75.0 Cell. 9.59 Prices Oct. 22. Tiest dealling Cell. 30.
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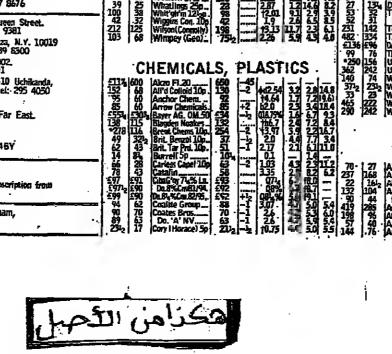
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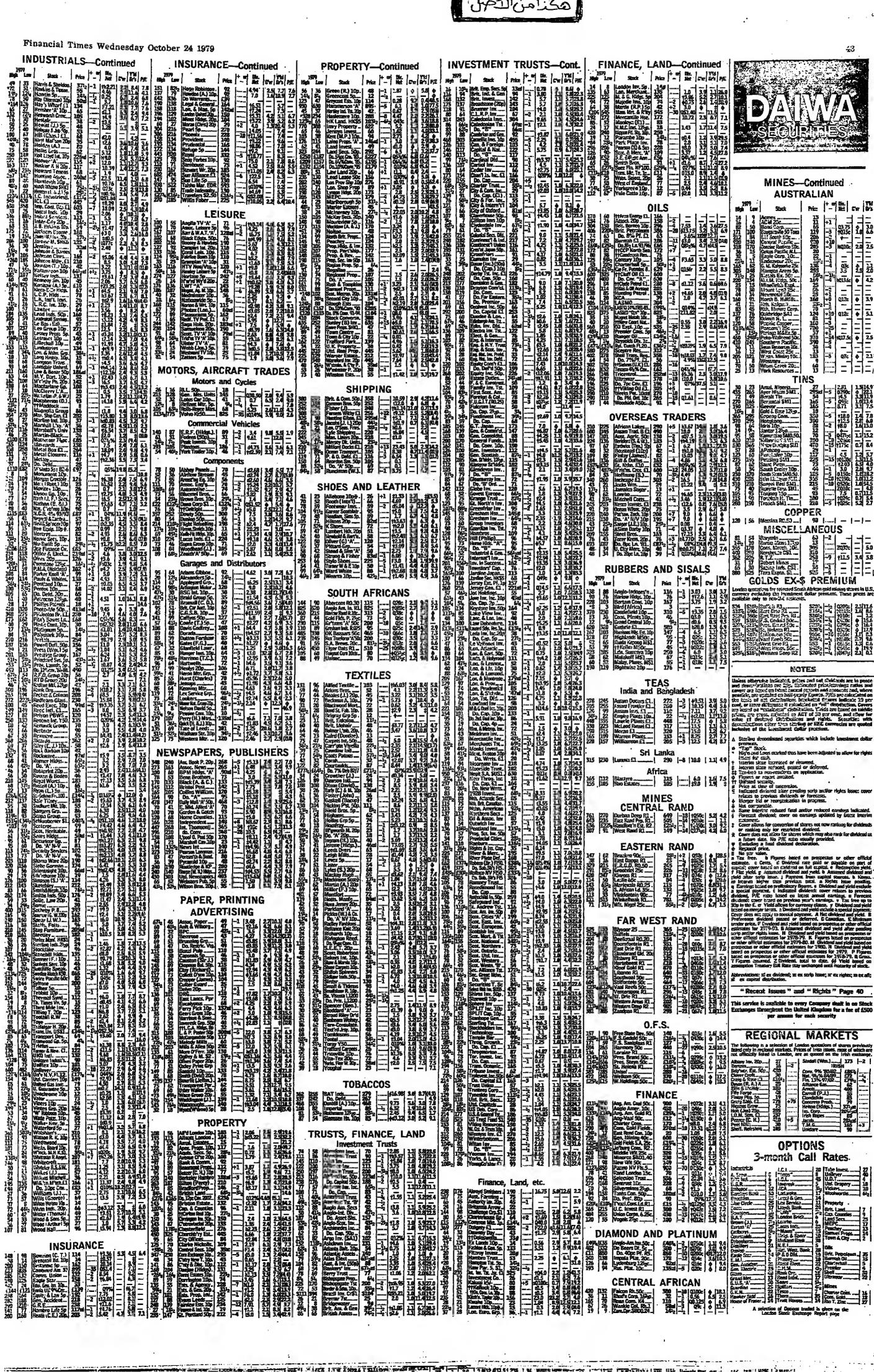
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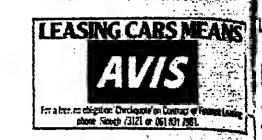


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В	"Recent Issues" and "Rights" Page 40
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## U.S. steel bid by Japanese

BY IAN HARGREAVES IN NEW YORK

Japan's bidding to become the first Japanese concern with a signifi-cant holding the in the U.S. steel industry.

Kaiser Steel of California, the ninth-largest U.S. steelmaker, which has just announced its 13th successive -quarterly loss on domestic steelmaking operations, said yester-day that it had opened talks with NKK on the sale of a sub-stantial proportion of Kaiser's

In seeking a stake in Kaiser, NKK is following a course well charted by Japanese electronics companies which have sought to get round trading restrictions by establishing their own manu-

facturing operations in the U.S. If NKK won control of Kaiser it would probably have the largest single foreign stake in

yesterday on the nature of the stake being negotiated. Agree-ment would be subject to a de-finition of the assets to he incloded price and the approval of the Governments of Japan and the U.S.

Most of Kaiser Steel's problems can be laid at the door of the importers, who last year ook a record 44 per cent of the market for steel in the seven western states of the U.S. Import penetration has slack-

ened in the first half of this year—to 35 per cent according to Kaiser-but the industry remains extremely anxious that the Federal Government's antidumping trigger price system should be maintained.

This is particularly important

Kaiser would not enlarge Japanese prices and the Japa-esterday on the nature of the nese pose the most serious threat on the West Coast where

their transport costs are lowest. The trigger price is a Federal Government administered device designed to identify a dumping level price for various steel products. When such a price is reported anti-dumping measures can be started in the have been only two legal actions and neither was against Japan.

NKK's talks with Kaiser come within eight weeks of a big management shake up at the U.S. company. This led to the appointment of Mr. Edgar F. Kaiser junior, grandson of the company's founder, as president

and chief executive.

Mr. Kaiser has already

the U.S. steel industry, in on the West Coast—nationally launched a cost reduction pro-which a number of European imports account for only 14 per gramme at the company's Fon-companies are already estab-cent of the market—because the tana, California integrated steel trigger price system is based on complex, closing some facilities

According to the company this has not so far enabled it to hring its prices up to a satisfactory level because of continued stiff price competition. Nippon Kokan bas an annua! capacity of over 22m tonnes of crude steel. Reported sales in 1978 were \$5bp.

Kaiser bad sales last year of 8724m and produced 2.3m tons of raw steel, leading to shipments of I.6m tons of steel pro-

In the first nine months of this year Kaiser had net earnings of \$42m on sales of \$729m. Its losses on steelmaking were offset by the sale of Hamersley Holdings. an Australian ore

EEC aid for Krupp--Page 3

## Industry Bill spells out NEB role

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

payed the way for Sir Leslie Murphy, full-time chairman of the National Enterprise Board, being a part-time chairman mote private ownership by to be replaced next year by a working one day a week, hand-part-time chairman and a full-ing over the main job of and the top limit of new investtime chief executive.

In a new Industry Bill intended to reduce the role of the NEB and to implement other aspects of the Government's industrial policy, Sir Keith Joseph, Industry Secre-tary, has taken powers to appoint a chief executive of the board as well as a chairman.

of next year, will retire from the full-time chairmanship when

pared to stay on for an extra duction in its top borrowing might have to rush some sales year if asked to do so by Sir limits from £4.5bn to £3bn. Its through at the last minute if

tion has yet been made. Alter- public ownership bas been renatively, he could switch to placed by a requirement to promanaging the NEB's companies to a full-time chief executive.

As present, there is no separate chief executive, although existing legislation gives the board power to appoint one with the approval

board as well as a chairman

Bill is that it switches the

It is widely assumed that Sir

primary job of choosing a chief executive from the board to Sir its statutory role is chaoged Keith a point which may lead with the enactment of the new Leslie, who will he 65 at the end executive from the board to Sir to some complaints from the Bill. his current three-year contract NEB during the next few days. Other major changes to the

He might, however, be pre- NEB's functions include a re-

ments it can make without detailed approval from Sir Keith

is ent from £10m to £5m.

The NEB will, however, be able to decide when to dispose nf assets such as ICL, Ferranti and Fairey to raise £100m de-manded by the Government. Sir The significance of last night's Keith acknowledged last night that the NEB could make its own decisions about sales until

> Sir Keith accepted that since the Government wanted the £100m by next March, the NEB

THE GOVERNMENT last night Keith, although no such invita- statutory role of extending the Bill did not gain Royal Assent until the beginning of next year.

Parallel Welsh and Scottish Development Agencies are included in the Bill, and there are powers for the English Industrial Eatates Corporation to sell some of its factories to its tenants and to incorporate private sector capital lo its factory programme.

The Bill also cancels some of the less-used aspects of the last government's industrial policy, such as planning agreemeots and compulsory disclosure of company information. Sir Keith said this meant that planning agreements for the National Coal Board and Chysler UK, which have lapsed, would not be revived.

Parliament, Page 14

## Sainsbury goes into D-I-Y **business**

joint venture with a large

Belgian retail group. Sainsbury's is to have a 75 per cent stake in a new company, yet to be given a name, which will be jointly operated with the Belgian group GB-INNO-BM, (Grand Bazaar Innovation Bon Marché). This group has suc-cessfully built up a home improvement stores chain in Belgium which trades under the

Brico, which has 22 stores and nearly one-fifth of the Belgian home improvements market, onerates stores of up to 45,000 sq ft and stocking up to 20,000 different types of doit

In the UK, the proposed chain home improvement stores will be smaller than in Belgium, averaging hetween 20,000 and 25,000 sq ft. But the retailing strategy will be exactly the same as the Brico chain in Belgium. The UK centres will offer a wide range of huilders' materials and garden centre products as vell as other do-it-yourself to the amateur enthusiast and to ""np'v the professional crafts-

The first UK store is expected remed in mid-1981 and, for to availability of sites, s plans to open at fire new stores a year. improvement centre ... reincent in Sainsbury's mormarkets.

decision nio the home improvehand new growth areas to counter the lack he igh the company has been in capture a larger share his static UK grocery market. anglerm growth prospects a acery relating are limited. News analysis, Page 27

BY DAVID BUCHAN IN WASHINGTON

inr Moscow and Peking and

formally asked Congress to ap-

prove the U.S.-China trade

The Peking Government was

ministration's delay in present-

ing the trade agreement to

Congress. The agreement gives Chinese exports to the U.S. most

favoured nation tariff status.

The President's message to

agreement signed in July.

day shelved his earlier approach can take to provide greater econ-

of even handed trade treatment omic benefits to both our coun-

neticeably worried at the Ad- 1974 legislation barring U.S.

## Stock Exchange loses fight for restrictive practice exemption

BY CHRISTINE MOIR

Consumer Affairs Correspondent

J. SAINSBURY the supermarket chain is to enter the fast stow ing do-it-yourself market in the Lord of the Competition Bill, Mr. John Nott, Trade Secretary, said that the Stock Exchange had requested that its practices who has fought some change, who has fought some changed. "This is the consumer than £1.5bn a year, in a state of the court.

Speaking in the Commons yes. The Stock Exchange's initial that by the time the Stock reaction was one of barely concluded by the time the Stock in the competition Bill, Mr. Occident that by the time the Stock Exchange had to defend its rule book, its practices might have changed. "This is the court of the Stock in the fight against being referred to ever, have to be retried by the system of regulation which does should be removed from the scope of the restrictive practices

request.

The Office of Fair Trading is now expected to refer the Stock Exchange's rules and members' agreements to the court by the end of the month. A full hearing might take place in spring, 1982.

However should the court find against the Exchange, it will not have to change its practices overnight. Mr. Nott said be intended to

amend the powers of the court to enable it, "should it so letter sen decide, to defer the effect of its yesterday. declaration so that parties to a case have time to make revisions in the light of the court's find- securities market and endanger

THE Stock Exchange has lost its lng." Any revisions would, how- the well tried and efficient

uoder two governments, said the "decision was purely political and the Government has He said: "I cannot meet this overlooked the importance of the capital markets."

Mr. Goodison bas met Minisargued that the restrictive practices legislation was never meant to apply to regulatory systems for securities.

To examine the Stock Exchange's regulations under legislation intended to prevent trading cartels would, he believes "be both dangerous and inappropriate," he says in a letter sent to member firms

"An adverse ruling by the court could produce chaos in the

tion," he said. The Stock Exchange rule

book is being revised, although Mr. Goodison does not expect significant changes.

He bad always been pre ters in both governments and pared for the rule book to be examined, but argued that the Monopolies Commission was the appropriate body to carry out a review, since it had the power to determine not only whether restrictive practice existed but wbether it operated against the public interest.

In the light of the Government's action the Stock Exchange intends to defend its practices with the utmost vigour. Mr. Goodison estimated that the cost of that defence might be about £1m.

## UK shipyards win BP order

ordered two 109,000-tonne oil tankers, worth a total of about £45m, from British Sbipbuilders. The orders, BP's first for new crude carriers since the energy crisis in 1973 triggered a recession in the tanker market, will go in the Swan Hunter yard on

Tyneside and the Scott-Lithgraw yard on the Lower Clyde. They will safeguard the jobs of about 1,500 men at each yard over the next two years.

During the past five years BP has reduced its fleet of owned and chartered vessels from about 200 ships to nearer 115. British Shipbullders, due to deliver the medium-sized tankers at the end of 1981, won the orders against strong foreign competition, particularly from Japan and Korea. It is thought the price quoted-about £22m

tries," coincided with Adminis-

In sending the agreement to

Capitol Hill, Mr. Carter waived

tariff and credit concessions to

right to emigrate freely. The gration.

Trade Minister.

BRITISH PETROLEUM has each - was considerably higher to be constructed in the UK. than the tenders from some Far Eastern shipbuilders. British Shipbuilders will

receive up to 25 per cent of the contract price, the first allocation to be processed under new arrangements for the intervention fund. Mr. John Parker, British

Shipbuilders' board member for sbipbuilding, welcomed the system developed by BP. orders and said: "Although it RP said to see the same of the system developed by BP. would be overstating the case to any the tide bas turned, these able contribution to the work-load required to ensure the future of British Shipbiuders' core yards.

The tankers, to join the £60m North Sea emergency support vessel being constructed for BP by Scott-Lithgow, will be the first of their size and standards

This is one reason why the

Administration decided finally to go ahead with the China

similar treatment for the Soviet

Moscow, which had most

favoured notion tariff treatment

hlocked by the 1974 legislation,

matically.

tration talks here with Mr. Li to go ahead with the China Qiang, the Chinese Foreign agreement, without asking for

Communist countries, which are has repeatedly refused to give beld to restrict their citizen's Washington assurances on emi-

Congress, calling the agreement heen speeded up, and the num upset by what it sees as a politi- sia's figure of \$243.4m.

They will comply fully with all environmental and safety standards laid down by the inter-Governmental Maritime

Coosultative Organisation which are likely to become compulsory in the 1980s. The design incor porates segregated ballast tanks, crude oil tank-washing facilities and a special fire prevention

BP said the vessels would fill a gap in its fleet for medium sized tonnage. Of their 68 ships owned, none were in the 80,000 to 160,000 dwt class. BP is concerned there could be a shortage of such tankers in the 1980s, particularly vessels complying with standards.

UK shipbuilders given more freedom on bids, Page 10

with the Soviet Union.

#### to order Rapier missiles

By Lynton McLain

bases in Britain, which have no defences of their own. Mr. Pattie said if the plan goes ahead. the missile nnits would probably be manned by the RAF Regiment, which defends air bases and would have to be expanded. They are made at Stevenage. Hertfordshire, and

Britain buys four times as much defence equipment from the U.S. as is exported to U.S.

Washington over the past few days with Mr. W. Graham Claytor Jr., Deputy Defence Secretary and Mr. Hans Mark, Secretary of the U.S. Air Force, also discussed ways of increasing the fighter cover of Britain.

tary aircraft strength."

An earlier option to lease or buy U.S. fighter aircraft, such as the McDonnell-Douglas F-15, has, however, been dropped. Mr. Pattie said: "It was not a realistic option, especially in riew of the current shortage of RAF pilots and doubts about the efficiency of training pilots to fly new aircraft for the short period until the British Tornado F2 enters service."

Pattle said it may now be possible to bring the interceptor aircraft into service about one

of the Harrier to include a clause allowing the U.S. and the UK to sell the aircraft to third parties, including China, without the need for permission from the other party.

#### Weather

UK TODAY

DRY with some sunny intervals E., S.E. England, E. Anglia

Cent. S. and N. England, Midlands, Channel Islands Mainly cloudy, some rain. Max. 13C (55F).

Cloudy, some rain. Max. 13C

Dry bright intervals. Max. 11C (52F). N.W. Scotland, N. Ireland

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# U.S. set

THE U.S. DEFENCE Depart meot is expected to sign a \$172m contract for British Aerospace Rapier missiles "within weeks," Mr. Geoffrey Pattic, Minister for the RAF, said in London yesterday.

The ground-to-sir guided missiles would be deployed to defend the seven U.S. Air Force

There bas been intense lookying by Britain to persuade the U.S. authorities to buy more British defence equipment.

forces. Mr. Pattie, who had talks in

Mr. Pattie said he hoped agreement could be reached with the U.S. so that "in a period of tension there will be a considerable augmentation by the U.S. Air Force of UK mili-

The F2 was expected to enter service late in 1984. But Mr.

year earlier.
His U.S. talks also covered the possibility of co-operation with the U.S. Defence Department and McDonnell-Douglas over a new version of the Harrier vertical take-off air-

in the East. Dry with bright intervals. Max 12C (54F).

WALES

(55F).

N.W. England, Lake District,
Isle of Man, S.W. Scotland,
Glasgow, C. Highlands
Bright at first, cloudy with

rain later. Max. 12C (54F).
N.E. England. Borders,
Edinburgh, Dundee, Aberdeen,
N.E. Scotland

Cloudy, outbreaks of rain Max. 11C (52F). Ontlook: Outbreaks of rain, but snme sunny especially in East

WORLDWIDE



THE LEX COLUMN

## The challenge of a new era

Index fell 4.7 to 462.0

The City could bardly believe 1. After 40 years—longer than people in banklog and the stock market—exchange controls have gone. Sterling lost around 3 cents on the day, but the stock market reaction was slight, with equities a little easier and gilt-edged hardly changed. Yet the implications are fundamental in a number of ways.

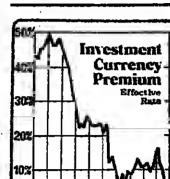
Investors, for instance, now enjoy an unrestricted choice of investment opportunities around the world, even including gold bullion. The restraints have, of course, already been substantially reduced, with the open-ing up carrier this year of the Continental bourses to UK investors, free of the investment currency premium. But only now are the much more popular opportunities in the U.S. and around the Pacific basin freely

available. Now the barriers are down. it will no longer be possible for the UK securities markets to offer radically different values to the major stock exchanges around the world. There have been hopes in the City that any fall in the deficit of the Government will unleash the massive cash flows of the investment institutions and create a major bull market. But now those cash flows will no longer be dammed up, and they will go abroad if better investment opportunities are to be found. Foreign fund raisers will come to London to tap the market if the cost of capital is favourable: the Dutch company Vilatron bas been a first, and modest, example.

But if the scope for a geoeral buli market is reduced, the prospects for manufacturing industry — which has performed so badly in the stock market this year-are enhanced. The tendeocy for North Sea revenues to crowd out those sectors of the economy which depend on international trade will be reduced or eliminated if capital can be exported. A medium term domestic portfolio shift out of the service sectors and back to manufacturing is signailed.

there are now tremendous new and there could be a need for substantial new capital.

the scope for foreign exchange meantime, increased foreign exchange were further heavy falls in dealing is clear. Certainly the prices of close to three full



investment currency traders closing their final deals last night were confident of continued employment elsewhere in their foreign exchange departments. The man in the street can now freely open currency positions; more impor-tantly commercial traders can cover themselves forward with-

out restrictions. Less obvious at this atoge is how the City's banking system, divided into a domestic sector and the offsbore" Euro-currency sector, will now develop. But the bankers will be conscious of the fact that though exchange controls have been abolished, exchange risks

#### Eurodollar rates

A state of near panic bas gripped the Eurobond market over the last few days. Each upward lurch in U.S. Interest rates has led to heavy markdowns in Eurodollar bond prices and the prospect of still bigher prime rates is causing considerable trepidation. Institutions with sizeable hand portfolios are sitting on nasty losses and with the year-end not far away, the 1979 profits picture is not going to look very pretty in some

Yesterday brought further gyrations in U.S. interest rates. For the Stock Exchange itself The maverick Fed Funds rate, Harrier vertical take-off airbusiness opportunities. London which had been above 18 per fered terribly because of the
Britain wants any foture
agreement on joint development
of the Harrier, to include.

There is no longer vention but this was not enough scheme. Five years ago 90 per any reason why the banks to stop another balf point rise should hold such sway in the to 15 per cent in U.S. prime Eurobond markets, though rates. Three month-Eurodollar stamp duty remains a problem, rates were up by three-quarters 40 per cent and will fall further. of a percentage point to 16t per The quality of the earnings may cent and shorter term rates For the banking sector, jumped even more.

Volcker measures of October a Eurobond prices have fallen by close to a tenth. The price of Beneficial Figures 31 per cent 1987, for example, has fallen from 951 to 874 and rields have risen from around 101 per cent to close to 12 per cent."

Even so the shake out in the bond market has been propor-tionately nowhere near as severe as the reaction in the short-ferm money markets. Three-month: Eurodollar rates, have kunned from under 13 per cent to over 16 per cent over the last fornight or 50. On 502 of the heavy capital losses being surained Europond houses. tained Eurobond houses are also suffering sizeable running losses on their bond portfolios. First Chicago estimated in the recent bi-monthly letter that on the \$5hn-odd of Eurodolla-bonds issued so far his year. investors bad made touses of over \$200m since the end of September. For small and poorly capitalised. Europool dealers this could have serious repercussions. And things could get worse. An economist from Irving Trust forecast vesterday that U.S. prime rates would hit 16 per cent at least before starting to fail and U.S. bond rields would not be back in single and figures before the end of sent year. So far, at least, there is little sign of forced selling in

#### Paterson Zochonis

the market.

Many compaines have burnt their fingers in the Nigerian market over the last year or two and Paterson Zochonis has looked more vulnerable the most with well over half la profits coming from this part. of the world. Yet it has survived surprisingly well, Attributable profits have only fallen from: £9.3m to £8.7m, the dividend has been raised by 124 per cent and the company feels sufficiently confident to forecast that 1979 ( Carre 5) 1980 profits will be no lower

than those of last year. The trick seems to be that PZ has been concentrating more and more on manufacturing in Nigeria as opposed to simple merchandising which has mitcent of PZ's Nigerian business The percentage is now down to be suspect but the Niceriki economy is recovering quickly. In the Eurobond market there At 200p the shares yield 6.4 per there cent and sell on four times earn-

Pearners.

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